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# Daily Report

# East Asia

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# Daily Report
## East Asia

*FBIS-EAS-90-140* *20 July 1990*

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## Reactions to U.S. Cambodia Policy Reported

### Soviets, PRC, SRV Comment

*BK1907131690 Hong Kong AFP in English 1226 GMT 19 Jul 90*

[By Leo Dobbs]

[Text] Hanoi, July 19 (AFP)—Allies Vietnam and Phnom Penh welcomed Thursday a major U.S. policy change on Cambodia but while the shift augurs well for both their futures an isolated Khmer Rouge remains a potent threat, analysts say.

U.S. Secretary of State James Baker's announcement in Paris Wednesday that Washington would no longer recognise the U.N. seat held by the Cambodian resistance since 1982 had been expected after shifts early this year in the position of Western European nations, they said.

These changes centred on concern that the Khmer Rouge, the strongest resistance faction blamed for the deaths of hundreds of thousands of people from 1975 until 1979 when they were ousted by Vietnamese troops, might return to power after the announced Vietnamese withdrawal in September.

One Western diplomat, describing the move as a "breakthrough," said: "I didn't think it would come so quickly" and added that the U.S. position was now more in line with other countries.

He said the decision would add "more dynamics to the (peace process)" coming as it did before the annual vote on Cambodia's U.N. seat in the General Assembly later this year.

He noted also that it came after Mr. Baker had met his Soviet counterpart Eduard Shevardnadze in Paris which "showed that two of the main players are in agreement "

An Asian diplomat said the U.S. stand would add more urgency to the need for a settlement after years of deadlocked talks between the warring Cambodian factions but said peace would not come overnight.

Mr. Baker said the United States was also willing to start a dialogue with Vietnam on Cambodia but stressed that this did not mean normalisation of ties with Hanoi, which it does not recognise.

Vietnam was quick to welcome the news with Foreign Minister Nguyen Co Thach saying here Wednesday: "Vietnam is ready to negotiate with all countries affected by the Cambodian problem ... That is why Vietnam welcomes the declaration."

Phnom Penh also welcomed the announcement. Western aid workers contacted in the Cambodian capital said they expected the move would lead to the restoration of international aid.

Diplomats were reportedly examining the possibilities of re-opening ties with Cambodia but this was unlikely to come until after elections held as part of an overall peace settlement.

One diplomat here said that for the first time since the end of the Vietnam war in 1975 there were postive signs on future relations between Washington and Hanoi.

He believed that in talks on Cambodia the two sides "will come closer on other bilateral issues"—above all the thorny problem of some 1,700 U.S. servicemen listed as missing in action in Vietnam from the war.

Vietnam has long made it clear that it favours diplomatic ties with the United States to help rebuild its economy, hit by a U.S. trade and investment embargo, and Hanoi will be pushing to widen the opening created by Wednesday's statement, diplomats said.

"The biggest stumbling block is out of the way," one diplomat said, adding he thought the proposed talks would have a positive effect on the MIA issue.

But analysts said negative aspects remained, above all the threat posed by the Khmer Rouge, by far and away the most potent fighting machine in the resistance coalition.

The Khmer Rouge have been launching small raids deeper inside Cambodian territory in recent months although Phnom Penh says it has the situation under control.

"I think it is dangerous to isolate the Khmer Rouge ... They are a key to the problem," one diplomat said.

He added that the group, which with China demands that all four parties be equally represented in a peace treaty, would "stay in the forest and cause trouble" if left out.

"The Khmer Rouge want to give the impression they still do exist and that no solution is possible without them ... So they will go on to create a climate of instability."

A host of other problems remain including the U.N. role, the holding of elections and also the reactions of other key regional nations such as Thailand and its non-communist partners Indonesia, Singapore, Brunei, the Philippines and Malaysia and of course China.

The five permanent members of the U.N. Security Council—Britain, China France, the United States and the Soviet Union—reportedly agreed in their meeting on Cambodia in Paris earlier this week that their group remained the only framework for progress.

China Thursday denounced the U.S. move, saying it would continue to arm the resistance, especially the Khmer Rouge.

### ASEAN Reaction

*BK1907115090 Hong Kong AFP in English 1142 GMT 19 Jul 90*

[Text] Jakarta, July 19 (AFP)—Indonesian Foreign Minister Ali Alatas Thursday said the Association of Southeast Asian Nations (ASEAN) doubted that a U.S. change of stance on Cambodia would be helpful to peace efforts.

Mr. Alatas, who said he spoke as chairman of the ASEAN Standing Committee, was replying to a question from the SUARA PEMBARUAN daily about what the regional grouping thought of a U.S. decision to no longer recognize the resistance coalition's occupation of Cambodia's seat in the United Nations.

The announcement of the U.S. decision by Secretary of State James Baker was made in Paris Wednesday.

But Mr. Alatas said ASEAN "has no objection" to any U.S. effort to open dialogue with Vietnam or Hanoi's client government in Phnom Penh.

ASEAN, which groups Brunei, Indonesia, the Philippines, Singapore and Thailand, supports the resistance coalition of two non-communist factions and the Chinese-backed Marxist Khmer Rouge.

### ASEAN Urges Restored U.S.-Vietnam Ties

*OW1907195090 Tokyo KYODO in English 1508 GMT 19 Jul 90*

[Text] Washington, July 19 KYODO—Normalization of relations between the United States and Vietnam would ease economic difficulties and reduce the outflow of boat people from the communist country, top Southeast Asian diplomats said Thursday.

"Normalization of relations (with the U.S.) will considerably alleviate economic conditions in Vietnam," Malaysian Ambassador to the U.S. Albert Talalla said at a meeting here.

He predicted that such a step would lead to reforms in Vietnam.

Talalla and other diplomats from member countries of the Association of Southeast Asian Nations (ASEAN) said the boat people have become a big burden on their countries.

Cambodia will be one of the key topics at next week's ASEAN foreign ministerial and post-ministerial conference with the group's six dialogue partners in Jakarta.

ASEAN groups Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Brunei. Its dialogue partners are the U.S., Japan, Canada, Australia, New Zealand, and the 12-nation European Community.

ASEAN diplomats said Robert Kimmitt, undersecretary of state for political affairs, briefed them Tuesday on the U.S. decision to open dialogue with Vietnam on the Cambodian conflict.

Japanese Ambassador Ryohei Murata was also briefed by Kimmitt the same day, a Japanese diplomat said.

"We have to tackle the source of this problem," Talalla said. "The source of the problem is Vietnam."

Viji Menon, counselor at the Singapore Embassy, said ASEAN feels "the non-communist resistance forces have to be strengthened further" to help complete the pullout of Vietnamese troops from Cambodia and avoid the return to power of the Khmer Rouge.

She called on the U.S. to continue support for the Cambodian resistance coalition led by Prince Norodom Sihanouk to help achieve an "independent, neutral government" in Phnom Penh.

"This is a common objective of the U.S. and the ASEAN countries," Menon told reporters.

The ASEAN talks in Jakarta will be followed by the second Asia-Pacific Economic Cooperation (APEC) ministerial meeting in Singapore on July 30-31.

### FPDA Military Exercise in South China Sea

*BK0407073890 Kuala Lumpur BERNAMA in English 0642 GMT 4 Jul 90*

[Text] Singapore, July 4 (OANA-BERNAMA)—Members of the Five Power Defense Arrangement (FPDA) are taking part in a two-week combined maritime exercise involving naval and air forces in the South China Sea.

Codenamed "Exercise Starfish 10/90", the exercise involves the naval and air forces of Australia, Britain, Malaysia, New Zealand and Singapore.

This year's exercise, hosted by the Republic of Singapore Navy (RSN), will help develop common maritime warfare techniques and enhance cooperation among FPDA partners.

Commander of the exercise task force, Colonel Kwek Siew Jin, of the RSN said the exercise marked the continued commitment of the five countries to the arrangement.

The FPDA was signed in 1971 to provide multilateral consultations in case of an external threat to Singapore and Malaysia.

More than 3,000 servicemen from the five countries and 24 ships, including destroyers, frigates, missile corvettes, gunboats, a submarine and 17 aircraft comprising maritime patrol and fighter jets are involved.

## Japan

### Kaifu on PRC, Rice, Nation's 'New Status'

*OW2007114090 Tokyo KYODO in English 1107 GMT 20 Jul 90*

[Excerpts] Tokyo, July 20 KYODO—Prime Minister Toshiki Kaifu on Friday denied speculation that Japan is planning an early resumption of financial assistance to China in order to benefit Japanese businesses. "It is a misunderstanding that (the 810 billion yen loan program) is designed for the benefit of Japanese businesses," Kaifu said in an interview with NHK TV to be aired later in the day.

"This is for the benefit of China, it is untied, and there are no strings attached," Kaifu said in the interview. [passage omitted]

Kaifu agreed with the interviewer that Japan has given a forceful performance at the Houston summit of leaders of the United States, Japan, Canada, Britain, France, West Germany, and Italy. But he said Japan's new status in the international community should not be attributed to its wealth alone.

The prime minister said Japan's role in the world should not be limited to economic matters alone, saying, "Japan is doing good things in science and technology, and there is a growing recognition that Japan is a useful country." Kaifu cited Japan's contributions to antipollution technology as an example. [passage omitted]

Kaifu indicated that Japan is prepared to take a more flexible stance on its policy of virtually banning rice imports. "I hope that each political party and also the general public will discuss the issue," he said.

"Also, each country should decide where they can make concessions and where they cannot and then hold discussions so that we can come to an acceptable agreement," he said. [passage omitted]

Kaifu appeared stumped when asked to explain the reason for his public popularity. In June, a KYODO NEWS SERVICE poll showed Kaifu enjoying a 63 percent support rate, the highest rating for a prime minister since the poll was launched in 1964. "I guess (my popularity) is because everyone is working together to implement cabinet policies," Kaifu said.

The prime minister recalled that he has faced some difficult moments during the past year, and said he did not feel like a year has already passed.

Kaifu was little known abroad when he was chosen to serve as president of the Liberal Democratic Party and also prime minister, last August, as a way to help the troubled ruling party recover popular trust, following a series of sex and money scandals. Many analysts predicted at the time that his time in power would be short, but a strong LDP showing in February general election helped him overcome his lightweight image.

Recently Kaifu has also been bolstered by the rapport he has developed with U.S. President Bush, with whom he has frequent contacts.

In the interview Kaifu said he did not think the United States is satisfied with the outcome of the recently concluded talks on reducing barriers to trade and investment, called the structural impediments initiative. "But if our efforts and sincerity are accepted, I think nothing extreme will happen."

### Agriculture Minister Discusses Rice Issue

*OW1707032090 Tokyo NHK General Television Network in Japanese 1200 GMT 16 Jul 90*

[Recorded interview via satellite with Tomio Yamamoto, minister of agriculture, forestry, and fisheries, from an office in an unidentified location, by NHK anchorman Hatsuhisa Takashima, in studio; date not given—from the "NHK News 21" program]

[Text] [Takashima] I will now talk to Mr. Yamamoto, minister of agriculture, forestry, and fisheries. Mr. Minister, after the Houston summit, both Prime Minister Kaifu and Foreign Minister Nakayama said that the situation regarding the rice issue is tough. There are those in Komeito voicing a possible acceptance of partial liberalization of rice imports. Even within the Liberal Democratic Party, there are people like Mr. Yamaguchi who are proposing discussions on the question. There are signs that the situation may have changed since the Diet passed resolutions on the issue. What is your view on this?

[Yamamoto] The situation on the rice question is tough. I myself feel this acutely. I also feel that, for Japan and for the Japanese people, it is necessary to defend our position on rice. The rice issue was discussed at the summit and there was a reference to the question of food security in the economic declaration, but having watched the developments there, I know that the top leaders of the nations only reiterated their own positions. I do not think that any particular major change was made at the summit.

Mr. Takashima, you mentioned various domestic problems and expressed your concern about them. I can understand your concern, but I must note that this is a serious question on which the Diet has passed resolutions twice. When we consider that rice is the central product of Japan's agriculture and that 80 percent of the farmers are involved in it, there cannot be a change in our defense of rice or our defense of Japan's rice-centered agriculture. This is in keeping with our stand in the past and with the stand Prime Minister Kaifu took at the summit. I firmly believe that people support this position.

[Takashima] In reference to the food security question, some views are that this does not necessarily mean that the market liberalization rate should be zero, but that we should be able to think about partial liberalization within the framework of the food security question. What do you think about the views of people like Mr.

Kano of the National Economics Institute accepting the concept of partial liberalization?

[Yamamoto] I think that there can be no such thing as partial liberalization. To state it clearly, there is no nation, including the United States, which has talked about partial liberalization. There have never been any formal discussions on this. That is our understanding. I have heard Mr. Kano's view, but now, when no nation is talking about partial liberalization, it should not be time for us to talk about partial liberalization. It is not logical.

The stand in which we must defend rice has been presented to GATT. We would like to maintain that stand, and would like to have the understanding of other nations. I firmly believe that we can have their understanding.

[Takashima] Are you saying that if we accept the import of 500,000 tons, Japan will not be able to supply the balance of requirements with its local products?

[Yamamoto] What I am saying is that, first, there are no formal discussions on partial liberalization. If that does become a topic of discussion, how and on what schedule will the discussions be pursued? This will mean talks without end.

Rice is the main food for the Japanese. On this basis, I think that we can explain our stand. I would like to make it clear that I am not thinking about partial liberalization at all.

[Takashima] Among rice farmers who recall the experience with beef and oranges, there are those who worry that the situation may change suddenly with a sudden change of government policies, and that rice imports may be liberalized after all. What is your comment?

[Yamamoto] You mentioned beef and oranges. Even at that time, our predecessors did their very best. After every possible effort and with the cooperation of producers, they chose the best available alternative. Furthermore, they agreed to the alternative only after taking appropriate measures for the producers of beef and oranges.

Rice is different. If we recognize the fact that we would force our farmers to restrain their production and produce 30 percent less than they would like to, we cannot think of allowing rice to be imported. This is fundamentally different from the case of beef and oranges. We have carried out this production curtailement for a long time.

[Takashima] Yes, I understand. This will be my last question. Mr. Minister, you will attend the GATT session and will also attend the five-nation agricultural ministerial consultations. More and more meetings will be held. All these efforts will be aimed at making a final settlement at the GATT session by the end of this year. The rice issue will be discussed at these meetings. What specific plans do you have for participating in these discussions?

[Yamamoto] Concerning this issue, we will maintain the line stated in the summit declaration. We also have a basic agreement on making the GATT's Uruguay Round a success. Japan, the United States, and the European Community all have difficult agricultural problems. Under such circumstances, as far as Japan is concerned, we plan to clearly state our views on the rice issue. We will appropriately explain the line we have followed so far. Let me repeat: In so doing, we would like to obtain the understanding of all nations, both importing and exporting nations. We would like to obtain their approval. This is what I think.

[Takashima] I see. Thank you very much.

[Yamamoto] Thank you very much.

## Gorbachev To Launch New 'Initiative' in Tokyo

*OW2007074490 Tokyo KYODO in English 0651 GMT 20 Jul 90*

[Text] Tokyo, July 20 KYODO—Soviet President Mikhail Gorbachev will launch a new diplomatic initiative toward Asia during his trip to Japan next year, a Soviet diplomat said Friday. "There will definitely be a new initiative, but it is too early to say what it will be," acting Soviet Ambassador Yuriy Kuznetsov said in a speech before the Japan Executive Managers' Association.

Kuznetsov, speaking in Japanese, said that Gorbachev's visit to Tokyo will be a major event in the history of Soviet policy toward Asia, as well as for Soviet-Japan relations. Kuznetsov said that a visit here by Soviet Foreign Minister Eduard Shevardnadze this fall will help lay the groundwork for the president's trip.

The foreign ministerial discussions slated for September will also address regional issues, including the Korean peninsula and the Cambodian conflict, Kuznetsov said.

He warned not to expect the same changes now taking place in Europe to be repeated in Asia. "Change will be Asian style," he said. He did not elaborate, but said arms reduction would occur in the same manner.

Kuznetsov, who is standing in for Ambassador Nikolay Solovyev while he is in Moscow, said despite the absence of major strides forward in bilateral relations with Japan, "it is not true that there have been no improvements." He said talks on a bilateral peace treaty have deepened mutual understanding, despite the lack of breakthroughs. "Since we know each other's position well, we can move onto the next stage," he said.

Kuznetsov did not mention the territorial dispute in his hour-long speech, but said in response to a question that the matter could be resolved if both sides make the necessary effort. Japan is demanding the return of four islands off Hokkaido that have been occupied by the Soviets since World War II as a condition for entering into a peace treaty.

## More on Visit of French Prime Minister Rocard

### Aid to China, Cambodia Discussed

*OW1907145990 Tokyo KYODO in English 1354 GMT 19 Jul 90*

[Text] Tokyo, July 19 KYODO—French Prime Minister Michel Rocard told Japanese Prime Minister Toshiki Kaifu on Thursday that France does not oppose Japan's resumption of new loans to China, Foreign Ministry officials said.

Rocard, meeting with Kaifu at his official residence, was quoted as saying that France "does not criticize Japan's position" on China. But the French premier, who is on a four-day official visit to Japan through Sunday, added that France "continues to be critical of the human rights situation in China," officials said.

Kaifu said Japan takes the same position as France that the June 1989 military suppression in Beijing's Tiananmen Square of a budding pro-democracy movement "is inexcusable on humanitarian grounds."

Kaifu sought to justify Japan's decision to release 810 billion dollars in low-interest government loans to China that were frozen following the Beijing crackdown. He told Rocard it is important to encourage China to continue down the path of reform, officials said.

With regard to the Soviet Union, Kaifu reiterated Japan's view that Japan's territorial dispute with Moscow over a cluster of northern islands should be placed in the wider context of East-West relations. He characterized the territorial issue as "a vestige of Stalinist expansionism" and said Japan awaits Moscow's positive application of "new thinking" to the Asia-Pacific region as it has done to Europe. Officials said France made no reference to the dispute.

The two countries were at odds at the Houston summit of seven major economic powers on the French and West German proposal to provide concerted western financial aid to Moscow, with Japan saying Japanese participation would depend on a territorial settlement.

Rocard told Kaifu that France has reacted positively to Japan's efforts in June to host a Tokyo meeting of the leaders of the rival Cambodian parties. He said he is pleased that areas of agreement were reached at that time between resistance leader Prince Norodom Sihanouk and Phnom Penh government Premier Hun Sen, according to the officials.

Rocard added that Japan's initiative served to facilitate future Cambodia talks, even while the agreements that were reached in Tokyo were shunned by the Khmer Rouge, the strongest military faction of the country's three resistance groups.

Officials said Rocard called for expanding scientific and technological cooperation with Japan and also for boosting exchanges over the protection of the environment, economic assistance to Africa and Eastern Europe, and redressing North-South economic imbalances.

The two leaders presided over a ceremony for the signing of a document to put into effect a protocol that revises an existing bilateral nuclear cooperation agreement that was implemented in 1972.

Officials said the two leaders agreed that disenchantment and frustration with Japanese interests in France stems from misunderstandings between the two countries that should be rectified. Rocard was quoted as telling Kaifu that there was "a certain minister who said things that should not have been said." The French premier apparently was referring to allegations by a former French trade minister that Japan has predatory intentions in Europe. The minister, Edith Cresson, is now France's minister for European affairs.

Last week, a Japanese Foreign Ministry spokesman warned that Cresson's repeated remarks could discourage potential Japanese investment. Officials said Rocard told Kaifu clearly that France "welcomes" Japanese investment.

Rocard expressed regret that Japan does not recognize that France has many export products to offer other than wine, saying he hopes Japan will pay attention to French goods that are competitive in quality and price. He said that while the Japanese appear to imagine Germany as the sole possessor of technological ability in Europe, France excels in such areas as aerospace, nuclear energy, and high speed railways.

Officials said Rocard indicated that France is anxious to protect its automotive industry and expressed hope that talks now underway on Japanese car exports to the European Community (EC) will yield "appropriate results."

Kaifu told Rocard that market access expansion measures contained in the recently concluded Structural Impediments Initiative (SII) agreement with the United States will apply equally to Japan's other trading partners, including France.

Rocard said he wants to dispatch a minister to Japan in September to sound out Japan on cooperating in economic assistance to African countries. Kaifu reportedly said Japan would be happy to receive the minister.

Rocard is the highest-level French official to visit Japan since President Francois Mitterrand came in February 1989 for the funeral of Emperor Hirohito or Showa. Kaifu paid a visit to France last January.

Rocard will meet on Friday with Foreign Minister Taro Nakayama, Minister of International Trade and Industry Kabun Muto, and Japanese parliamentary leaders. Later in the day, the French premier will be received in audience by Emperor Akihito.

### Science-Technology Pact Reviewed

*OW2007120690 Tokyo KYODO in English 10057 GMT 20 Jul 90*

[Text] Tokyo, July 20 KYODO—Japan and France agreed Friday to initiate talks to revise their bilateral pact on science and technology cooperation, officials of the Ministry of International Trade and Industry (MITI) said. The agreement came at a meeting between MITI head Kabun Muto and visiting French Prime Minister Michel Rocard, the officials said.

Rocard proposed boosting bilateral cooperation in science and technology through revision of the pact, which the two countries signed in 1974. Rocard cited four fields—biotechnology, electronics, high-definition television, and health and medicine—as France's specific concerns, and Muto agreed to start talks on details, the officials said.

During the 45-minute meeting, Muto referred to France's strict restrictions on imports of Japanese cars, the officials said. "The restriction to 3 percent of the total French auto market is too rigorous. I hope France will lift the curbs as early as possible," he reportedly told Rocard.

Rocard reponded by saying that although negotiations on the issue are in the hands of the European Community, France will make efforts in the direction of liberalization, according to the officials. But he added, "Any sharp increase in Japanese car exports to France could cause confusion," indicating that a transitional period will be necessary before the restrictions are removed, the officials said.

The French premier also called on Japan to remove the 5.9 percent tariff it imposes on ferronickels—an export of the French colony, New Caledonia. Japan is the only country among the members of the Organization for Economic Cooperation and Development that imposes tariffs on the product, Rochard pointed out. Muto replied the issue should be discussed at the multilateral trade forum of the General Agreement on Tariffs and Trade, the officials said.

### Talks on Indochina Aid Proposed

*OW2007064190 Tokyo KYODO in English 0606 GMT 20 Jul 90*

[Text] Tokyo, July 20 KYODO—Foreign Minister Taro Nakayama told visiting French Prime Minister Michel Rocard on Friday that Japan would like to hold consultations with France on aid to Indochina, Foreign Ministry officials said.

The officials quoted Nakayama as saying that he will be visiting Laos later this month and would like to create an opportunity "to consult with France about economic cooperation to that region."

Nakayama's remarks followed Rocard's statement that France, a former colonial power in Indochina, has a "historical responsibility with regard to the future of Laos, Cambodia, and Vietnam." The officials said Nakayama was referring to extending cooperation to all three Indochinese countries, but was not hinting at immediate aid to Vietnam and Cambodia.

Japan is a major aid donor to Laos, but holds that economic assistance to Vietnam and Cambodia is contingent on a comprehensive political settlement to the Cambodian conflict. Japan has pledged to consider extending massive reconstruction assistance to Indochina after such a settlement.

Rocard, who is on a four-day official visit to Japan through Sunday, requested Nakayama to discuss in depth the question of mutual cooperation on aid next September in Tokyo with French Minister for Development Cooperation Jacques Pelletier.

He said the two ministers should deal with ways of increasing the efficiency of their Official Development Assistance (ODA). Rocard specifically mentioned assistance extended to Africa, which is a focus of France's aid program.

Nakayama reiterated Japan's desire to establish close links with any future structure formed by the 35-nation Conference on Security and Cooperation in Europe (CSCE), which plans to convene a summit meeting in Paris around the end of this year. He explained that the matters to be taken up in the forum of the CSCE, such as the sweeping changes in the European political landscape, have a great bearing on the Asia-Pacific region.

If the CSCE is further institutionalized, such as the establishment of a secretariat or the holding of regular ministerial meetings, Japan would like to have a contact. The ministry officials said Rocard listened to Nakayama's approach "very carefully," indicating that the French premier did not offer an opinion on the matter.

Just prior to his visit to Japan, Rocard was reported to have expressed reservations over Japanese intentions toward the pan-European conference. But the officials said that when Nakayama broached the issue during the talks, "the atmosphere was very positive."

## North Korea

### CPRF Reacts to No's Proposal on Exchange

*SK2007091090 Pyongyang Domestic Service in Korean 0700 GMT 20 Jul 90*

[Statement issued on 20 July by the Committee for the Peaceful Reunification of the Fatherland of the DPRK in connection with the ROK president's 20 July special announcement on North-South relations—read by announcer]

[Text] Today, the person in authority of South Korea issued a so-called special announcement in relation to national exchange. In the announcement, declaring five days before and after 15 August as the period of a great national exchange, he said that during this period he will

allow North Koreans to freely visit, through Panmunjom, any area in the South side. Then, he proposed that the North side, too, take steps corresponding to this.

In this connection, the Committee for the Peaceful Reunification of the Fatherland [CPRF], authorized by the government, political parties, and organizations of the Republic, declares:

As is widely known to the world, in his New Year's address of this year and his policy address at the First Session of the Ninth Supreme People's Assembly President Kim Il-song, the great leader of our people, put forward a proposal for pulling down the concrete wall built in the area of the South side and for realizing free travel and total openness between the North and the South as an epochal step to make the nineties the era of national reunification and he clarified that he will warmly welcome the broad segments of people and the people from all walks of life in South Korea to visit the North and that, at the same time, he will impose no restriction on the people in the northern half of the Republic visiting South Korea.

In a statement dated last 5 July, clarifying our principled stand that contact and travel between the North and the South should be conducted in close connection with the resolution of the reunification question, that such contact and travel should be participated in by political parties, organizations, and the people from all walks of life—which have different ideologies, ideals, and political views—without discrimination and on an equal footing, and that contact, travel, and exchange between the North and the South should not be subjected to the restrictions of any legal and social conditions, we also declared to open the area of the North side of Panmunjom, beginning on upcoming 15 August, in a bid to successfully guarantee contact and travel between the North and the South.

Recognizing the current proposal advanced by the person in authority of South Korea for a national exchange as a reaction to our repeated proposals for realizing free travel and full-scale opening, though it is belated, we deem it fortunate that he expressed the will to open the North and the South although it is on a limited scale.

As we have repeatedly expressed, the realization of free travel and full-scale opening is the basic condition for realizing national reconciliation and unity and for promoting the peaceful reunification of the country. To realize free travel and full-scale opening it is imperative to eliminate the concrete wall, which is an obstacle to realizing these things, and to abolish the legal and institutional mechanisms.

However, while talking about opening between the North and the South this time, the person in authority of South Korea completely ignored the issue of eliminating such basic obstacles, without saying a single word about them.

We cannot understand how he will open the North and the South while leaving the concrete wall—which has physically blocked the 600-ri long section between the east and the west of the country—as it is, and without eliminating such a political barrier as the National Security Law which arrests and detains those who visit the North, regarding them as criminals. Furthermore, proposing full-scale opening so that compatriots in the North and the South can freely travel, he proposed to open only Panmunjom as the passage and only for five days. It is obvious that this is totally impossible from a commonsense point of view.

Those families and relatives who live separated in the North and the South today number as many as 10 million. If the door of travel which has been closed between the North and the South over 45 years is opened, think how many compatriots and brothers will visit each other!

However, it is unrealistic to realize free visits only along one route of Panmunjom, where there is virtually only a one-way road, the bridge is narrow, and thus cars cannot pass each other. In addition, allowing mutual visits only for a limited 5-day period and closing the gate of the road are, in fact, the same as the basic denial of free visits and full-scale opening.

The so-called special statement abruptly made public by the person in authority in South Korea is merely a deceitful propaganda advertisement aimed at frustrating the Panmunjom pan-national conference, which will be held soon amid great expectations of fellow countrymen in the North, the South and abroad, at appeasing public opinion at home and abroad calling for dissolution of the concrete wall and free visits and full-scale opening between the North and the South, at diverting the people's attention away from the situation in the National Assembly, which was caused by the tyranny of the Democratic Liberal Party, and at settling the political crisis.

He called for realizing free visits of the people by opening areas of the North and the South. Then, is there any necessity for restricting the route of visits only to the narrow area of Panmunjom, and for setting the time limit of 5 days?

Free visits and full-scale opening are the urgent demand of all people, and this demand should be immediately realized. Proceeding from this stand, we again hold that the concrete wall built in the South side's area in the Military Demarcation Line should be abolished and free visits should be made at all times, not for a limited time.

In connection with this, we propose that the South side should pull down the concrete wall and the North side should remove wire barriers during the period from 1 to 12 August and a North-South joint promotion committee for abolishing the barriers of division should be formed as a joint organization for implementing this.

## SKNDF Criticizes DLP for Railroading Bills

*SK1907112990 Pyongyang KCNA in English*
*1030 GMT 19 Jul 90*

[Text] Pyongyang July 19 (KCNA)--A spokesman for the Central Committee of the "South Korean National Democratic Front" [SKNDF] (Hanminjon) in a statement July 16 denounces the No Tae-u group for having railroaded anti-democratic bills through the 150th extraordinary session of the puppet National Assembly through the arbitrary practice of the "Democratic Liberal Party," according to radio Voice of National Salvation.

The socalled "amendment bills" including "amendment bill of Broadcasting Act" and "amendment bill of ROK Army Organisation Law" rammed through the plenary session of the "National Assembly" in a minute by the No Tae-u group with the ruling party's arbitrary practice are the vicious deceptive documents aimed at giving an absolute power to the No Tae-u fascist dictatorial group and building up a legal framework for the long-term office of the "DLP", the statement says, and continues:

The malrevision of the "laws" by the No group is directly linked to the plot for constitutional amendment for "parliamentary cabinet system".

The "assemblymen" from the Party for Peace and Democracy and the Democratic Party have announced their resignation. This is a proper answer to the anti-democratic high- handedness of the No group in a state of emergency created by the reactionary conservative power.

It is as clear as noonday that the "National Assembly" can no longer exist without the assemblymen from opposition parties.

The "DLP", a group of heinous stranglers of democracy, must be dissolved at once.

The "DLP" must drop their dream of realizing long-term office while working for "constitutional revision for parliamentary cabinet system" and face a trial by the people.

The United States, the midwife and wirepuller of the "DLP", must stop interference in the internal affairs and underhand lobbying politics and quit this land without delay.

## Social Democratic Party Attacks South's DLP

*SK1907114080 Pyongyang KCNA in English*
*1008 GMT 19 Jul 90*

[Text] Pyongyang July 19 (KCNA)—Our Korean Social Democratic Party [KSDP] whose political faith is a representative government for the people bitterly denounces the one-party show of the "Democratic Liberal Party" in the "National Assembly", regarding it as an illegal political coup d'etat which ignored the South Korean opposition parties, insulted the people's will and brought a new political darkness to South Korea, declares a spokesman of the Central Committee of the KSDP in a statement dated July 18.

The dastard political violence which the "DLP" committed by railroading 26 bills through the "National Assembly" is a wholesale political terrorism previously unknown in the history of parliament and a most vicious and flagrant challenge to the universally recognized parliamentary democracy and to the people's will, the statement says, and continues:

The 26 evil bills will only serve the purpose of further fascistizing the South Korean socio-political life as a whole, aggravating North-South confrontation and increasing the danger of permanent division.

Kim Yong-sam, who had once taken an opposition seat in the fascist "Yusin National Assembly" and the "National Assembly of the Fifth Republic" and vehemently censured the ruling party's arbitrariness and outrages, arrogantly behaved like a dictator, oblivious of his past, as soon as he teamed up with the No Tae-u group and joined the ruling party. This clearly shows how disgusting and detestable his breach of faith and treachery are.

As a matter of fact, there is no parliamentary democracy in South Korea and the "National Assembly" practically no longer exists there.

The Korean Social Democratic Party extends full support and encouragement to such a just struggle of the South Korean opposition parties as their "assemblymen's" resignation and to the struggle of the parties, groupings and peoples of all strata of South Korea for justice. The KSDP demands that the fascist "bills" that were railroaded by the arbitrariness of the "DLP" be nullified, the No Tae-u "regime" step down at once as demanded by the people and the "DLP" be unconditionally dissolved.

The recent happening in the "National Assembly" of South Korea proves that as long as the United States keeps South Korea under its military occupation and continues its colonial policy, it is impossible to put an end to a rowdyism of the fascist dictators and most savage violation of democracy there.

## Soviet Marchers Join Solidarity Meeting

*SK2007045090 Pyongyang KCNA in English*
*0437 GMT 20 Jul 90*

[Text] Pyongyang July 20 (KCNA)—A solidarity meeting of working people in Kaesong and the Soviet Amur Regional marchers was held in Kaesong on July 19 to urge the removal of the concrete wall and free travel and complete opening between the North and the South.

Speeches were made there.

Deputy head of the squad Aleksandr Dhiva in his speech said:

The visit to Kaesong made us feel more keenly that national reunification is the most cherished desire of the Korean people and the national task. The Korean question should be solved peacefully.

He voiced full support to the struggle of the Korean people to reunify the country in accordance with the five-point policy for national reunification laid down by the great leader Comrade Kim Il-song at the first session of the ninth Supreme People's Assembly and the three principles.

I saw at first hand the existence of the concrete wall, he said, adding:

The wall must be torn down and Korea be reunified into one.

Foreign troops must be pulled out of the Korean peninsula and the reunification of Korea be achieved by the Korean people themselves.

Speaking next, Valeri Voloshin, secretary of the Tynda City, Amur Region, committee of the Communist Party of the Soviet Union, who is leading the squad said that its activities constitute support to the struggle of the Korean people to remove the concrete wall and realise free travel and complete opening between the North and the South.

He expressed the belief that the Korean people would certainly carry into practice the five-point policy for national reunification put forward by Comrade Kim Il-song.

The struggle of the Korean people to reunify the country peacefully on a democratic basis is sure to win victory.

The marchers arrived in Kaesong Thursday.

## Commentary Views U.S. Aid to 'UNITA Clique'

*SK2007043990 Pyongyang KCNA in English*
*0428 GMT 20 Jul 90*

["Tentacles of Aggression Stretched Out to Angola"—KCNA headline]

[Text] Pyongyang July 20 (KCNA)—U.S. military personnel have recently infiltrated into Angola to help the UNITA clique, according to a report. Noting that they are training the UNITA armed bandits, foreign sources said it is the first time that U.S. military personnel were dispatched to Angola.

Recalling that the United States decided to grant 10 million dollars to the UNITA clique in emergency military aid at the end of May, NODONG SINMUN in a commentary today brands this as a vicious challenge to the Angolan people and the world's peaceloving people who want to see an end to the civil war and a durable peace in Angola.

The news analyst says:

The United States is scheming to build up a new aggressive foothold in Angola and back and use the UNITA clique to establish its political, economic and military domination and control over this region.

The UNITA counter-revolutionary elements continually resort to such various criminal acts as murder, violence, sabotage and arson with the positive support and encouragement of the U.S. imperialists.

By doing so the U.S. imperialists seek to create distrust in the government, destroy the gains of the revolution won by the Angolan people and make them give up their struggle for independence and progress.

Facts clearly prove that the U.S. imperialists are, indeed, a heinous enemy of independence, sovereignty and peace.

The U.S. imperialists must stop at once their anachronistic anti-Angola campaign.

## Koreans in Japan Organize 15 Aug Activities

*SK2007045690 Pyongyang KCNA in English*
*0442 GMT 20 Jul 90*

[Text] Tokyo July 18 (KNS-KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) proposed the "ROK Residents Association in Japan" (Mindan) to jointly attend the August 15 pan-national conference. Representatives of the Chongnyon headquarters visited the central headquarters of "Mindan" on July 18 and conveyed the proposal of the Chongnyon Central Standing Committee.

The proposal noted: It is the unshakable will and faith of the fellow countrymen to make the 1990s a decade of national reunification. The decision to hold a pan-national conference for peace and reunification of the country at Panmunjom on the 45th anniversary of the August 15 liberation with the participation of the representatives of Koreans of various strata in the North and the South and overseas is a reflection of this will and faith of the fellow countrymen.

Calling on the Koreans in Japan to join in the nationwide current for reunification irrespective of isms, ideology and organizational affiliation, the Chongnyon Central Standing Committee asked the "Mindan" side, firstly, to ensure the joint participation of the representatives of Chongnyon and "Mindan" in the August 15 pan-national conference, secondly, to jointly sponsor "evening of art of Koreans in Japan," "meeting of sports exchange of Koreans in Japan" and other functions around August 15 under the name of "celebration of the 45th anniversary of the August 15 national liberation, promotion of the independent and peaceful reunification of the country", thirdly, to organize such joint activities not only in Tokyo but also in all the local headquarters and residential areas of compatriots across Japan and, fourthly, to institute a liaison organization

for regular contact between the Chongnyon headquarters and the "Mindan" headquarters in order to successfully hold the above-mentioned functions and contribute to national unity of Koreans in Japan and the promotion of national reunification.

## DPRK Red Cross Sends Sympathy to Philippines

*SK1907223890 Pyongyang KCNA in English*
*1517 GMT 19 Jul 90*

[Text] Pyongyang July 19 (KCNA)—The Central Committee of the Red Cross Society of the Democratic People's Republic of Korea sent a message of sympathy to the Red Cross Society of the Philippines.

Upon hearing an unhappy news that huge human losses and damages of properties were caused by a strong earthquake in your country we express deep condolences to and sympathy with the people in the afflicted areas, the message says.

It sincerely wishes that the living of the people in the afflicted areas will return to normal at an early date thanks to the efforts of your people and your society.

## Mali Government Delegation Arrives 19 Jul

*SK1907224890 Pyongyang KCNA in English*
*1518 GMT 19 Jul 90*

[Text] Pyongyang July 19 (KCNA)—A government delegation of the Republic of Mali led by Ngolo Traore, Minister of Foreign Affairs and International Cooperation, arrived here today for a visit to Korea on the invitation of the Government of the Democratic People's Republic of Korea.

It was met at the airport by Kim Yong-yong, vice-minister of Foreign Affairs, and other officials concerned.

## Vice Foreign Minister Leaves for Peru, Colombia

*SK1907224490 Pyongyang KCNA in English*
*1520 GMT 19 Jul 90*

[Text] Pyongyang July 19 (KCNA)—Vice-Minister of Foreign Affairs Song Ho-kyong who will attend the presidential inaugurations in Peru and Colombia as a special envoy of the Government of the Democratic People's Republic of Korea and a delegation of the DPRK Information Committee led by its vice-chairman Kim Kwan-hoe to visit Pakistan left here today.

Boguo Makeli, rector of Kinshasa university, Zaire, and a delegation of Ain Shans university, Egypt, led by its president Dr. Abdel Salam Abdel Gaffar, arrived here today.

## Egyptian Ambassador Hosts Anniversary Party

*SK2007044990 Pyongyang KCNA in English*
*0433 GMT 20 Jul 90*

[Text] Pyongyang July 20 (KCNA)—Egyptian Ambassador to Korea Bahjat Ibrahim Disuqi arranged a party at his embassy on July 19 on the occasion of the 38th anniversary of the July 23 revolution of the Egyptian people.

Invited there were Vice-President Yi Chong-ok, Chong Chun-ki, Kim Chae-pong, and other officials concerned.

Officials of the Egyptian Embassy were on hand.

Speeches were made by Ambassador Bahjat Ibrahim Disuqi and Chairman of the Education Commission and Chairman of the Korea-Egypt Friendship Association Choe Ki-yong.

## Daily on Work To Mobilize Inner Reserves

*SK1907005290 Pyongyang Domestic Service in Korean*
*0008 GMT 13 Jul 90*

[NODONG SINMUN 13 July editorial: "Let Us More Substantially Carry Out the Work To Mobilize Inner Reserves"]

[Text] Currently, our people are mightily upholding this year's New Year Address by the great leader Comrade Kim Il-song, his historic policy speech, and the decisions made at the 17th plenary session of the Sixth party Central Committee, to vigorously carry out the production and conservation struggle.

In this process, great results are being achieved in various fields of the people's economy. These results are making the people happy, and new prospects are being unfolded in the road ahead in the economic construction.

We must not be satisfied with these achievements but further vigorously carry out the production and conservation struggle so that the basis for the economy can be proven all the more worthy.

One of the important problems at this point is to further make plans to carry out the work to mobilize inner reserves.

Comrade Kim Chong-il, member of the Presidium of the Central Committee of the Workers' Party of Korea Political Bureau and secretary of the party Central Committee has taught: An important policy that our party has stated at this time is to actively find inner reserves and conserve goods to increase production.

Organizing and carrying out the work to mobilize well inner reserves is one of the important demands of creating a new and proud history in the great revolutionary upsurge of the nineties through the production and conservation struggle.

Inner reserves are not used in the process of production but are various elements of production that are left over or that cannot be used effectively. These possibly can be mobilized and utilized in the future without difficulty.

Inner reserves exist in various forms in all fields of the people's economy, and their source is continually obtained all the more according to the development of the socialist economy.

Finding maximum inner reserves and using them effectively are very significant in creating a rapid pace in the expanded reproduction of socialism.

If inner reserves are properly mobilized and utilized, more can be produced and constructed without as much or with even less effort; production facilities, materials, funds, and quality can be enhanced; costs can be lowered; and inner reserves can be constantly increased.

Since the 17th plenary session of the Sixth party Central Committee, inner reserves have been actively sought and mobilized in various fields of the people's economy and parties, and results in the production and conservation struggle are great.

Based on the achieved results, carrying out the struggle by establishing a higher goal to mobilize more inner reserves is a worthwhile work in vigorously demonstrating our people's revolutionary traits and wisdom.

According to the demand of the party, all the people of the whole nation must work to find maximum hidden inner reserves and use them effectively. They must have the attitude of being the master so that a great upsurge can be brought about in socialist economic construction and so that the people's lives can be enhanced in an epochal way. By doing so, the people can further wholly manifest the superiority of our country's unique socialist system, which embodies the chuche idea.

In all units and sectors of the people's economy, the struggle to actively find and effectively use production reserves, conservation reserves, quality increase reserves, reserves to increase the various types of goods, labor reserves, and material and facility reserves must be further carried out vigorously according to its own characteristics.

Inner reserves can be successfully found and used effectively only through the revolutionary and scientific method which is in accordance with the true nature of the socialist system.

Putting the people's ideology into motion is an important method for actively finding inner reserves and effectively mobilizing and using them.

All decisions are based upon the people's ideology. If ideology is put into motion, there is nothing that cannot be achieved in this world, and something can be created out of nothing. This is well shown in the experiences of the units which are magnificent models in the mobilization of inner reserves.

Reserves are in the hearts of the masses. If the functionaries go into the broad masses and freshly carry out the political work which puts the people's ideology into motion, they will know that the inner reserves are indeed conservation and production. Thus, they will not spare their energy and wisdom in finding the hidden reserves.

Party organizations and functionaries of all units and sectors of the people's economy must continually carry out the organizational work aggressively to ignite a fire in the hearts of the people. Therefore, with innovative appreciation, all workers must find inner reserves and carry out the struggle to produce and construct more with those reserves.

One of the basic conditions for actively mobilizing and utilizing inner reserves is to vigorously carry out the technological revolution.

Only when we make new technological inventions, including valuable creations and designs which will contribute to the chuche-orientation, modernization, and science-orientation of the national economy by vigorously accelerating the technological revolution, and only when we introduce such inventions into production, can we enhance productivity, the efficiency of facilities, and the quality of products while working with less labor. Thus, we can lower the standard of material consumption per unit of product and comprehensively utilize raw materials and materials.

All domains and all units of the national economy should keenly realize that the greatest reserves at present lie in waging the mass technological innovations movement. They should create an all-out social atmosphere to inspire everyone to strive for scientific and technological development.

By doing so, they should see to it that constant innovations are made in the struggle for production increase and that conservation and a great upsurge are effected in production and construction.

At the same time, the economic guiding functionaries should go down to the low-level production sites in plants and enterprises, and should carefully examine the status of utilization of facilities, materials, and manpower. They also should inspect the status of reducing the cost and standard of consumption, and should form correct standards by precisely calculating the cost. They should take steps for improving such work.

The proper implementation of business management and reasonable utilization of economic spaces are a positive step, inspiring and stimulating producers to play more excellently the role of masters of the nation and society. They are an important guarantee for discovering more reserves and for effectively utilizing such reserves.

Functionaries should carry out business management in a more scientific and reasonable manner in compliance

with the demand of the Taean work system. In particular, they should precisely implement the independent profit system and correctly utilize various economic spaces.

Only when economic spaces are properly utilized, can the standard of material consumption per unit of product be lowered and can each employee's production amount be increased constantly. Furthermore, the quality of products can be promoted.

The work of mobilizing inner reserves is a work for the masses. This work can be properly carried out only when the masses rise. One cannot attain great success in one's work if one carries out the work on a small scale by controlling only a few functionaries.

The units, which give great benefit to the state and to the nation's livelihood by attaining great successes in the work of mobilizing reserves, are waging the work of mobilizing the inner reserves everywhere as an all-masses task.

All domains and units should vigorously carry out the work of mobilizing inner reserves by thoroughly depending on the masses. At the same time, all domains, units, outposts, and each individual should mobilize themselves for discovering all reserves, large or small, so that the production is increased.

The work of mobilizing the inner reserves is the work which should be accomplished while carrying out the assigned production tasks. Therefore, this work can be properly accomplished only when it is backed with watertight organizational work.

Functionaries of all domains and all units should work out realistic plans for mobilization of reserves based on their own practical situation. They should inform functionaries, scientists, technicians, and producers of these plans and should assign clear tasks according to each unit, unit set of facilities, and individual.

Functionaries, not limiting their efforts only in establishing plans and assigning tasks, should often show the method of execution. They should set goals for mobilizing inner reserves while strengthening the work of mobilizing the inner reserves. Thus, they should constantly deepen the work of the rearrangement of such tasks.

In addition, functionaries should set fine examples in the work of mobilizing the inner reserves. Party organizations at each level should constantly indoctrinate party members and workers with the significance of the work of mobilizing the inner reserves and the decisions of the 17th Plenary Meeting of the Sixth party Central Committee so that they will unanimously rise in the work of mobilizing the inner reserves by cherishing both the lofty awareness that they are the masters of production and nation's household and the revolutionary spirit of self-reliance and arduous struggle.

Party organizations should see to it that the workers' organizations broadly organize and carry out the socialist competition so that mass innovations are registered in the struggle for production increases and conservation.

Full mobilization and utilization of reserves for production growth and of potentials for production increases and conservation by the entire society are the work which can be carried out only in the socialist society where the popular masses work as masters of plants and facilities.

Let us all continuously and vigorously wage the work of mobilizing the inner reserves by cherishing endless loyalty to the party and the leader and attain a new greater success in the socialist construction.

## Paper Cited on 'Struggle' of South Unionists

*SK2007051790 Pyongyang KCNA in English 0458 GMT 20 Jul 90*

[Text] Pyongyang July 20 (KCNA)—As already reported, the unionists of "Munhwa Broadcasting Corporation" and three other broadcasting companies in South Korea have totally boycotted the programmes from July 14 when the No Tae-u group rammed many anti-popular, fascist bills through the puppet National Assembly through the arbitrary practice of the "Democratic Liberal Party [DLP]".

They made a peace march in high spirit on the 16th in protest against the malrevision of the "broadcasting act".

In solidarity with their struggle, South Korean dissident and democratic organizations and people from all walks of life are waging a fierce anti-"DLP" struggle. Students in Pusan attacked the district party buildings of the "DLP" and those affiliated with the Seoul District Missionaries' Council for Human Rights held a rally for the aboiition of evil laws and the release of prisoners of conscience. And the "Coalition for National Democratic Movement", the "National Council of Student Representatives", the "National Council of Representatives of Youth Organizations" and many other democratic organizations rose in the struggle to have the evil laws nullified and check the long-term office of the "DLP". All the opposition "assemblymen" vowed to leave the ill-famed "National Assembly" which has turned into a theatre of one-party show of the "DLP", and called for the "dissolution of the National Assembly and for early general election."

A news analyst of NODONG SINMUN today says:

This struggle of the South Korean democratic forces is an eruption of the wrath and resentment against the No Tae-u group which has reduced South Korea to a scene of bayonet suppression and reduced even the "National Assembly" to a waiting-maid of the fascist power. It is

also the manifestation of the adamant will to terminate dictatorship and achieve a genuine democracy.

The news analyst continues:

How can the South Korean democratic forces remain idle at a time when the fascists are trying with bloodshot eyes to obliterate them? It is natural and entirely righteous for the South Korean people to rise in the struggle against dictatorship and for a new politics, new system and new life.

The days of the dictator resorting to bayonet repression are numbered.

## Newly Built, 'More Modern' Cargo Ship Launched

*SK2007050490 Pyongyang KCNA in English 0434 GMT 20 Jul 90*

[Text] Pyongyang July 20 (KCNA)—The Hambuk shipbuilding complex of Korea has built another 14,000-ton cargo ship.

The ship is equipped with more modern loading and discharging facilities than the existing cargo ships.

Its loading and discharging capacity is 50 percent higher than that of the cargo ships of the same weight. And newly-developed pumps, hydraulic pressure instruments, automation devices and fittings were used in the building of the ship.

The complex has since the 1970s built 14,000-ton cargo ships as one of its main indices, while constructing other types of large cargo ships.

The complex has put on a high modern level all the processes ranging from ship designing to metal sheet cutting and processing, sectional construction, final assembly and completion.

The launching ceremony took place on the spot on July 19.

## 'Technical Innovation' Achievements Cited

*SK1907225290 Pyongyang KCNA in English 1508 GMT 19 Jul 90*

[Text] Pyongyang July 19 (KCNA)—Members of the "April 15 technical innovation shock brigades" in all parts of the DPRK have introduced more than 61,000 technical innovation proposals into production this year.

As a result, they contributed to achieving a high and steady rate of production in different sectors of the national economy and helped save manpower, raw materials and fuel including more than 92,000 tons of coal, over 20,000 tons of steel, 42 million kwh of electricity and over 20,000 tons of cement.

Patent rights were conferred upon many workers and technicians by the state this year.

The "April 15 technical innovation shock brigades" were organised at all industrial establishments in 1980 to speed up the chuche-orientation, the modernisation and scientification of the national economy.

## Freight Hauling Statistics Show Increases

*SK1907222890 Pyongyang KCNA in English 1504 GMT 19 Jul 90*

[Text] Pyongyang July 19 (KCNA)—Transport workers of Korea have gained signal success in freight transport.

According to the data available, the General Bureaux of Railways and the Management Bureaux of Railways under the Ministry of Railways carried 20,000 more tons of freight on a daily average in July than in June.

Notably, the transport workers of the Kaechon General Bureau of Railways carried 1.3 times as much coal as their traction quotas in the heat of the "drive for extra-haulage on schedule without accident to implement the decision of the 18th plenary meeting of the Fifth Central Committee of the Workers' Party of Korea."

The transport workers of the Western General Bureau of Railways are carrying every day thousands of more tons of freight than the like period of the previous month by replacing the rails and wagons with heavy ones and raising the proportion of centralised transport.

The locomotive corps under the Eastern General Bureau of Railways transported 226,000 more tons of freight than traction plan in a recent month.

Major goods stations, section crews and service brigades of passenger and freight trains are carrying out their daily assignments at 120 percent.

## Cement Output Increases by 350,000 Tons

*SK2007105690 Pyongyang KCNA in English 1014 GMT 20 Jul 90*

[Text] Pyongyang July 20 (KCNA)—Korea has produced 350,000 more tons of cement in the first sixth months or so than the same period of last year.

The Sunchon cement complex which takes a lion's share in the cement output of the nation has produced 210,000 more tons of cement by improving the operation of equipment and technology and waging a vigorous drive for boosting output with less raw materials and fuel.

The February 8 cement complex has produced 60,000 more tons of cement in the first half of the year than the same period of last year and sent it to grand construction sites by introducing rational method of kiln operation.

Signal successes were registered at all other cement factories including the Chonnaeni cement complex.

The steady increase of cement output in Korea fully guarantees a successful progress in the construction of towns, industrial construction and land development this year.

## South Korea

### No Declares Temporary Free North-South Travel

*SK2007003890 Seoul Television Service in Korean 2300 GMT 19 Jul 90*

[Special announcement by President No Tae-u on North-South Relations at Chongwadae—live]

[Text] Dear 70 million compatriots: I am going to clarify our decision for national exchange between the North and the South to achieve the peaceful reunification as soon as possible amid the great change in which the world has ended the cold war system of confrontation and is establishing a new order of reconciliation.

Through a special statement on 7 July 1988 I clarified that the North and the South as one nation should end the relations of confrontation and develop the relations of partnership coordinating with each other. Later, on 18 October the same year, in my address at the UN General Assembly session I also proposed eliminating the wall of division that separates the North and the South and to realize free exchange between the North and the South in all fields to achieve peace on the Korean peninsula and its reunification.

In the two years since then, the world has been changing the order of the past era from its foundation. The trend of openness and reconciliation has eliminated the wall dividing the East and West and is establishing a new world of coordination that transcends ideologies and systems. The barriers between East and West Berlin and between East and West Germany have been pulled down and consequently reunification of Germany is becoming a reality.

Now is the time to bring an end to the division on the Korean Peninsula and to the confrontation of the cold war. We cannot allow the Korean peninsula to remain the only divided land in the world caused by the cold war system. Furthermore, today's reality in which the compatriots in the North and South have been unable even to come and go among themselves should not continue any longer in light of the dignity of our nation which has a long history.

We should achieve reunification peacefully within the nineties. By so doing we should greet the 21st century as the glorious era of our nation. The North and the South should boldly take all measures necessary for national reconciliation and reunification.

I declare five days before and after 15 August this year, which marks the 40th anniversary [as heard] of the liberation, a period of a great national exchange. We will open Panmunjom as a passage for five days from 13 August and will receive North Korean compatriots without limitation. We will allow them to freely visit wherever they desire to visit in the South and meet whomever they desire to meet. We will offer all possible conveniences to all compatriots visiting the South side and if necessary, we will provide board and lodging.

We will also take steps so that any one of our people can visit North Korea without restrictions through Panmunjom during this period.

We will guarantee personal safety and safe return of all North Korean compatriots who will visit the South side. We expect the North Korean side to take steps corresponding to this.

I hope that North Korea will open not only the North Korean side's area at Panmunjom but also all areas in North Korea so that people can visit any place there and that it will receive South Korean compatriots who want to visit North Korea without limits, just as we do.

If we successfully realize a national exchange on the occasion of this year's anniversary of national liberation day, we can make the exchange a periodic event for the national festive days including Chusok, New Year Day, and Hansik.

I believe that based on this, we can open the road for fellow countrymen in the North and the South to freely visit each other at any time. The visits and exchanges between the compatriots of the North and the South are the course we should go through without fail for reunification.

President Kim Il-song in North Korea on 1 January proposed a complete opening of societies of the North and the South and free visits. Viewing this, I firmly believe that there will not be any obstacle to realizing a national exchange and full-scale opening of the North and the South on the occasion of this year's liberation day anniversary.

I urge the North Korean side to accept the great national exchange on the liberation day anniversary without putting forward any conditions. If the North Korean side cannot accept the mutual exchange due to unavoidable circumstances, we will unilaterally implement the full-scale opening of our society to the North Korean compatriots. We will allow foreign nationals to freely visit the North and the South through Panmunjom.

The government will take all necessary steps and make preparations so that the plans made public today will be implemented.

Fellow countrymen at home and abroad: The North and the South should make sincere efforts for national unity to transcend ideological and political constituents. We should imagine together how brilliant and how great the 21st century, which our 70 million united compatriots of the reunified country will unfold, will be. I hope that everyone will participate in achieving the nation's desire. Thank you.

## Unification Board Gives Details

*SK2007084290 Seoul YONHAP in English 0824 GMT 20 Jul 90*

[Text] Seoul, July 20 (OANA-YONHAP)—South Koreans will be able to visit North Korea if Pyongyang accepts Seoul's proposed "grand inter-Korean exchanges of the people" next month.

In an address Friday morning [20 Jul], President No Tae-u proclaimed the South will accept North Korean visitors without restriction Aug. 13-17 and urged the North to reciprocate.

A visitor's certificate will be issued to anyone who wants to visit North Korea during the five-day period in accordance with the law on inter-Korean exchange and cooperation, passed by the National Assembly last week, Unification Board officials said. The Board will allow South Koreans to contact North Koreans and join them in academic, sports and economic activities.

The visitor's certificates will be available from the Board to anyone submitting an application and writing a statement, they said. The need for an invitation from the North and guarantee of safe return issued by the North Korean Government will be waived.

The government may consult North Korea to add other routes to the truce village of Panmunjom for cross-border travel if there are many applicants.

The government will allow Chonminnyon (the National Alliance of Democratic Movements), South Korea's largest dissident group, to take part in the Aug. 15 pan-national conference in the Northern part of Panmunjom only if North Korea agrees to the "grand inter-Korean exchanges."

Unification Minister Hong Song-chol said participation by Chonminnyon would go smoothly if North Korea allows free travel during the five-day period. "It is the government's position not to allow Chonminnyon to participate if North Korea does not allow travel," he said.

North Korea has announced a pan-national conference from Aug. 13 with the participation of Koreans from both parts of Korea and abroad and Chonminnyon has expressed its hope to attend.

## YONHAP Analysis of Speech

*SK2007071390 Seoul YONHAP in English 0635 GMT 20 Jul 90*

[By Hong Sang-pyo]

[Text] Seoul, July 20 (OANA-YONHAP)—South Korean President No Tae-u, in a major shift of policy toward North Korea, on Friday guaranteed free travel between the two Koreas by declaring that his government would open the truce village of Panmunjom and let North Koreans in without restriction. The bold action, if the North responds with reciprocal measures, sets the ground work for realizing exchanges in personnel with a view to advancing reunification of the divided peninsula.

In a nationally televised statement, the president proclaimed a five-day span around the 45th anniversary of independence on Aug. 15 a "period of grand inter-Korean exchanges of people."

"For five days beginning on Aug. 13, we will keep Panmunjom open as the passage and will accept brethren from the North without restrictions. We will allow them to freely visit any place in the South and meet anyone whom they want to meet," No said.

The president said the government would allow South Koreans to visit North Korea through the truce village without restrictions, guarantee the personal safety and safe return home of North Koreans visiting the South. He said all possible conveniences such as room and board would be provided.

The declaration is part of a new effort to lower tension on the peninsula, improve ties with Pyongyang and thus realize the Korean dream of reunification. The Korean border is the last vestige of cold-war confrontation as the Berlin Wall has collapsed and East and West are moving rapidly toward rapprochement.

Seoul expected Pyongyang to take practical steps toward reform and openness in line with the rapid changes surrounding the peninsula. The South will take unilateral action to reduce tension and bring peace on the peninsula even if the North shows little change in its isolationist attitude. This is a major reason the president made such a flexible declaration, officials said.

The government sees help for improved inter-Korean ties in the new detente between East and West, the waves of reform sweeping Eastern Europe, the collapse of communist governments and the rapid promotion of relations between Seoul and Moscow. It calculates that the time has come for both Koreas to move toward opening their societies on the way to reunification.

No said the two Koreas "must achieve peaceful unification within the 1990s to make the 21st century an era of glory for our people and should boldly do what needs to be done to reconcile each other and integrate our people." The declaration follows an agreement to hold talks between the prime ministers of South and North in September in Seoul and October in Pyongyang, the highest-level encounter ever between the two Koreas.

The North's attitude in the talks will be a barometer of inter-Korean relations, analysts say. A special act on inter-Korean exchange and cooperation was approved by the National Assembly on Saturday. The act paves the way for practically promoting inter-Korean exchanges even though there is a legal controversy as it to some extent contradicts the stiff National Security Law, which bans contact with and travel to North Korea. But government officials said there were few legal problems in stepping up inter-Korean exchanges because the act supercedes the security law. They

said the government was readying a follow-up to No's declaration, including procedures for the exchange of people under the special act.

As No declared the opening of the border village, attention is focused on a South Korean dissident group's plan to attend a pan-national congress the North is to hold on the Northern side of the truce village on Aug. 15. Chonmminnyon (the National Alliance of Democratic Movements), an unrecognized dissident organization, has vowed to participate in the meeting to discuss reunification whatever the government's position on the gathering. The government will allow Chonmminnyon to attend the meeting if the North accepts the declaration on "the grand inter-Korean exchanges of people." The declaration seems designed to press the North to open up and reform.

It is also expected that many of the estimated 10 million members of separated families in the South will take this five-day opportunity to try to visit the North. It is uncertain if their long-frustrated dream will come true as the next step is North Korea's.

## Parties Welcome Declaration

*SK2007074590 Seoul YONHAP in English 0723 GMT 20 Jul 90*

[Text] Seoul, July 20 (OANA-YONHAP)—South Korea's political parties welcomed President No Tae-u's declaration Friday that the government will allow free travel by both South and North Koreans through the truce village of Panmunjom.

The ruling Democratic Liberal Party said in a statement that the guarantee of free travel is the best way for South and North Korea to jointly seek reunification.

"It is a bold expression of the government's will for reunification. We expect North Korea to make a sincere reply to the proposal," it said.

Kim Tae-chung's Party for Peace and Democracy said, "we welcome the declaration, while hoping that it will be a measure that can move the nation one step closer to reunification."

The statement warned the government against political use of the declaration and demanded the National Security Law, which bans inter-Korean contact, be abolished.

The Democratic Party also welcomed No's action and called on the North to accept the proposal.

A dissident group that has pushed for a meeting with North Koreans at the border village on Aug. 13-15 said it is willing to cooperate with the government to realize a pan-national congress.

The National Alliance of Democratic Movements (Chonminnyon) will ask the government to send officials to its preparatory meeting for the congress July 23, a spokesman said.

The government was opposed to Chonminnyon's holding the meeting, but No's declaration is seen as a signal that it will now permit the congress to go ahead.

The group said about 500 Koreans from both sides and abroad will attend the three-day meeting, which is to feature academic and cultural events as well as a debate on reunification.

## Doubts About North

*SK2007082890 Seoul YONHAP in English 0812 GMT 20 Jul 90*

[Text] Seoul, July 20 (YONHAP)—President No Tae-u has said the southern half of the Korean Peninsula will be opened to North Koreans, but reciprocation by the Communist North is unlikely, Pyongyang watchers in Seoul said Friday.

Chon In-yong, a professor of international politics at Seoul National University, said he questioned if North Korea would unconditionally respond to the large-scale exchanges No has proposed, even though it was a positive answer to the North's offer to open the northern part of the truce village of Panmunjom on Aug. 15.

"North Korea is not yet ready to open up broadly, and is still keen on maintaining its system. It is likely that the North will allow visits by South Koreans of its choice only. Dissidents, for instance," Chon said.

Noting the declaration is valid whether North Korea accepts it or not, he said Seoul should take follow-up measures to realize the spirit of the declaration.

"North Korea will have to show a positive response in the long run with all the changes in the international arena," he said.

Kim Chang-sun, director of the North Korean Studies Institute, shared the view that North Korea would not open its society to South Koreans.

"North Korea may argue that President No's declaration was identical with that Kim Il-song made in his new year speech and that the South had to make such a declaration due to mounting pressure from outside," he said.

Pak Chae-kyu, president of Kyongnam University and director of the school's Institute of Far Eastern Studies Institute, said he thought North Korea would not allow South Koreans to visit its half of the divided peninsula for fear that such visits might let in the wind of reform blowing in Eastern Europe.

"North Korea may wish to open its doors only to a selected group of South Koreans, such as dissidents, but will not express this wish officially since it will be deemed unjustifiable. North Korea has to reject the offer even if it foresees international criticism.

"No unilateral declaration can bring forth dialogue or exchanges, because such contacts need partners. It is

most desirable for South Korea to make more realistic measures to expand exchanges with the North on a gradual basis," he said.

## No Predicts Korean Reunification Within 10 Years

*SK2007074790 Seoul YONHAP in English 0728 GMT 20 Jul 90*

[Text] Taegu, South Korea, July 20 (YONHAP)—President No Tae-u said Friday that South and North Korea could achieve reunification this decade and the South should be ready for it. Following a proposal to allow free cross-border travel for five days next month, No said at a ground-breaking ceremony for Taegu National Museum that the South should gather its powers of stability and creation to overcome division and chaos. Opposition lawmakers are to submit their resignations to the speaker of the National Assembly on Monday to protest the passage of controversial bills.

"A summit meeting between Soviet President Mikhail Gorbachev and myself was unthinkable until just a short time ago. It means the cold-war structure of the Korean Peninsula is being changed. [no end quotation mark as received]

"German unification gives a great awakening to us and together we should bring up the power of freedom and prosperity further," the president said.

In a nationally televised speech in the morning, No proclaimed the five-day span around Aug. 15, the 45th anniversary of Korea's liberation from Japanese rule, a period of grand inter-Korean exchanges of people. South Korea will open Panmunjom and accept visitors from the North without restrictions, No said in the speech.

## Government Contacts North About Exchange

*SK2007035890 Seoul Domestic Service in Korean 0300 GMT 20 Jul 90*

[Text] In the name of Prime Minister Kang Yong-hun, the government this morning sent a telephone message to Yon Hyong-muk, premier of North Korea's Administration Council, and proposed discussing procedural matters for realization of a great national exchange.

In this message, the government proposed holding a working-level contact between the delegations of the North and the South, consisting of three working-level officials led by a vice minister-level official from each side at the conference room of the Neutral Nations Supervisory Commission at 1000 on 30 July. The government noted it hopes for an affirmative response from the North Korean side.

## Defectors Describe TV Viewing, Travel in North

*SK2007031090 Seoul SEOUL SINMUN in Korean 16 Jul 90 p 8*

[Interview with former North Korean university students Hwang Yong-chun, Chon Chol-u, and Yim Chong-hui, all of whom have defected to South Korea, on how North Koreans spend their leisure time and vacations, by reporter Kim In-chol]

[Excerpts] [Kim] Most people in our country generally spend much time in the evenings watching television. How many television sets are there in North Korea and how do the people spend their time?

[Yim] In the case of Kaesong, where I used to live, the distribution rate of television sets is about 30-40 percent. Broadcasts of television programs in color started in 1974, but very few homes have color television sets. Most television sets are black and white. The price of black and white television sets authorized by the government is between 650 ("Taedonggang" television sets) and 850 ("Sonamu" television sets) North Korean won. However, since it is very difficult to buy television sets, even if you have money, you have to pay over 1,000 won to buy a television set from the black market. The average monthly wage of North Korean residents is about 60 won, and if both the husband and wife work, income per household is about 120 won. Considering this, a television set is indeed the top item on the list of property for each North Korean household.

[Hwang] People who own color television sets are high-ranking officials, people who have traveled abroad, or people who have received them as presents from a relative living abroad. The distribution rate of television sets in the rural areas is only about 10 percent. This is slightly higher in the urban areas. Therefore, in the evenings, houses that have television sets become movie theaters.

[Yim] North Korean residents also watch a lot of television in the evenings or holidays. I also used to watch television after work until 2300. On week days, television is broadcast from 0500 to 2300 and on Sundays it is broadcast from 0900 to 2300.

[Chon] On Saturdays and Sundays, television shows North Korean movies or movies from socialist countries, such as the Soviet Union and China. North Korean residents enjoy watching foreign movies the most. [passage omitted]

[Kim] What procedures do you have to go through if you want to travel or visit other local areas?

[Hwang] There is no travel in the real sense of the word. If you want to go to other local areas, that is, in the case of a wedding or a funeral of a cousin or close relative, upon receiving the telegram from your relative, you have to go to the second bureau of the Ministry of Public Security in its related local area and apply for a travel certificate; then you receive permission to travel to the local area you want to visit. In the past, it was possible to

issue the travel certificate on the spot. Recently, however, with the increase in false telegrams—for instance, those saying a living person has died—the applications for travel certificates are each being confirmed in detail.

[Yim] The only means of transportation connecting one region to another in North Korea is trains. Therefore, since traveling by train is controlled, it is impossible to leave one's place of residence without a passage certificate. If a person is found traveling without a travel certificate, that person must do forced labor, such as baking bricks.

[Hwang] If a local person wants to go to Pyongyang, that person must have a travel-approval number, which is allotted periodically to each province, city, and county by the Pyongyang Social Security Bureau. Regardless of pressing matters, if a person does not have an approved number, that person cannot go into Pyongyang. However, party cadres or agents of the Ministry of State Security [as published] have separate official duty certificates, which allow them to go in and out of Pyongyang.

During vacation, if university students designate one area and apply for a travel certificate, one is issued that allows university students to use this as a means to travel to other places other than their homes. [passage omitted]

[Kim] What special benefits are given to women in North Korea?

[Yim] Since 1986 according to Kim Chong-il's guidance, all women are allowed five months leave, that is, two months leave before childbirth and three months leave after childbirth. However, if there is no one to substitute for the person taking leave during this time, it would be difficult to take all the leave.

## No on Aim To Normalize Ties With USSR

*SK2007024890 Seoul THE KOREA TIMES in English 20 Jul 90 p 2*

[Text] President No Tae-u has said that formal diplomatic relations between South Korea and the Soviet Union are indispensable to accelerating bilateral exchanges and economic cooperation. Noting that the private sector alone cannot fully reach the goal, No said that the two countries must develop government-to-government channels to resolve obstacles.

In an exclusive interview he gave the NOVOSTI Press Agency of the Soviet Union at Chongwadae on July 4, President No, however, underlined that the "aim of the Republic of Korea is not merely to normalize ties with the Soviet Union, but to contribute to perestroika and promote co-prosperity through close official, as well as private, cooperation." The interview was the first No ever gave to the Soviet media.

"We also hope that by developing excellent relations with the Soviet Union, it will be possible to induce and encourage North Korea to choose openness and reform, so that genuine peace can be established on the Korean peninsula," he said.

In an hour-long interview with Vladislav Dunayev, Tokyo bureau chief of the NOVOSTI, No said that his meeting with Mikhail Gorbachev in San Francisco on June 4 was "an epochal event which has not only moved bilateral relations that remained severed for 86 years forward but has also cracked the Cold War ice in East Asia."

He observed, "Seoul-Moscow relations, spurred by the San Francisco meeting, would rapidly advance toward full diplomatic normalization and ever closer bilateral cooperation."

"This is because the estrangement between the Soviet Union and the Republic of Korea of 42 million, which has emerged as the 10th largest trading nation in the world, is a vestige of old ways of thinking that are no longer acceptable now that we are only 10 years away from the 21st century," the President explained.

Asked about the realistic possibility, scope and pattern of economic cooperation between the two countries, No said: "I am confident that South Korea's unique developmental experience and expertise, production technology and capabilities and managerial knowhow can make a more practical contribution to Soviet reforms than those of any European or North American country.

"Moreover, I believe, the Korean and Soviet economies are so complementary in nature that there is a boundless potential for bilateral economic cooperation for mutual benefit.

"Korea has efficient production facilities to meet the Soviet needs for various consumer goods. Korean industry excels in producing the full range of daily necessities urgently needed by the Soviet people ranging from textiles and garments to electronics, household appliances, soap and detergent, toothpaste, footwear, toilet paper and towels.

"If only the Soviet Union creates the necessary investment climate, scores of Korean companies are ready to build factories in the Soviet Union to produce such goods."

No also said that when such joint ventures become successful, the Soviet Union could use them as models for setting up similar factories in various republics throughout the country, thereby ending the shortage of consumer goods.

As for South-North Korean relations, No said that he was confident that the time had come to end South-North confrontation. "We are seeking a partnership with North Korea for common prosperity, rather than regarding it as a rival or adversary. We do not seek military superiority over the North." The President further said that North Korea, like the Soviet Union, should take a path to openness and reform with new thinking

"I think the only way for the North to achieve progress and prosperity is by shedding its extreme closed door policy and opening up," he said.

No, the first South Korean president ever to have an interview with the Soviet media, then, pointed out that the barrier of division would collapse only if North Korea decides to move with the wave of reform now sweeping the world, open its doors and come forward for dialogue and exchanges with the South.

"I predict such a day will arrive before long, and I hope and expect that the Soviet Union will actively support our endeavors to that end," No said.

President No told NOVOSTI that the Republic of Korea is determined to make ever more active contributions to building a harmonious world.

"Internally, we will continue to foster democracy, while further developing economy, science and technology. This should not only assure that all citizens lead a more satisfying and comfortable life but also should enable us to fill a greater role, and make greater contributions, in promoting peace and prosperity in the Pacific region in particular and in the world in general," he said.

The interview story was carried in the latest edition of the LITERATURNAYA GAZETA of the NOVOSTI News Agency.

## Trade With USSR Said Expected To Double

*SK2007015290 Seoul THE KOREA HERALD in English 20 Jul 90 p 6*

[Text] Two-way trade between Korea and the Soviet Union is expected to double to $1.2 billion this year from $600 million in 1989, the Bank of Korea said yesterday. In its report on the prospects for Korea-Soviet trade, the central bank said Korea exported $137 million worth of commodities and services to the Soviet Union during the first four months of the year and imported $250 million worth for a two-way trade volume of $387 million.

"If this trend continues, the two-way trade volume between the two countries will reach some $1.2 billion by the end of this year, representing two times the figure marked in 1989," a central bank spokesman said.

Korea is also making a strong push for about 50 kinds of investment projects in the fields of natural gas, forestry, tourism, and consumer goods, brightening prospects for expanded trade with the Soviet Union.

He also said bilateral economic cooperation in the high-tech sector is expected to gain further momentum in the immediate future.

## Government Gives Earthquake Relief to Philippines

*SK1907002590 Seoul THE KOREA TIMES in English 19 Jul 90 p 3*

[Text] (Yonhap) The Korean government gave 50,000 U.S. dollars to the Philippines for earthquake relief on Wednesday, a Foreign Ministry spokesman said.

Spokesman Chong Ui-yong said the Korean Embassy in Manila will send an investigation team to Baguio, the hardest-hit city where two Koreans were reportedly killed in the temblor Monday, as soon as access is possible.

More than 200 Koreans are estimated to be in Baguio. They include 30 missionaries, 30 students and employees of a Korean garment manufacturer called Commonwealth. Two of Commonwealth's 16 Korean employees were killed in the powerful quake, the Korean Embassy in Manila quoted news broadcasts as saying.

## Analysis on 'Knotty' Issues for Opposition Unity

*SK2007021490 Seoul THE KOREA HERALD in English 20 Jul 90 pp 2,7*

[News analysis by staff reporter Yu Kun-ha]

[Text] Opposition leaders are to meet today to proclaim their determination to create a unified opposition party capable of governing the nation in place of the present ruling DLP [Democratic Liberal Party]. With this, they intend to shape the domestic political scene in the way they want—dissolving the National Assembly, holding new general elections and implementing local autonomy at an early date.

The opposition groups obtained a solid political initiative through opposition lawmakers' tendering of resignations which was prompted by the ruling party's much criticized railroading of controversial bills through the National Assembly last week. These resignations would be submitted to Assembly Speaker Pak Chun-kyu as declared. And to step up pressure on the ruling party, the opposition forces are set to organize large rallies to stir up popular support for their demands.

The prospect for a unified opposition party seems brighter than ever before and this heightens the expectations of those staunch opposition supporters. Although skepticism still lingers about the ability of the opposition actors involved to rally behind a single front, the tide seems to be clearly toward an integrated, powerful opposition party. This tide could be felt most convincingly in the unusually firm declaration of the cautious DP [Democratic Party] leader, Rep. Yi Ki-taek, yesterday in which he said he would put his political career at stake for the achievement of unifying the opposition camp. Yi's resolute stance was taken by political observers as somewhat surprising because he was believed to be not quite enthusiastic about the idea of a unified opposition party. Yi was seen as envisioning not a unified party but a loose alliance of opposition groups which pursues the

same goal of forcing the ruling party to disband the National Assembly and hold another general elections.

Yi's small DP, which has only eight parliamentary seats now, was seen to be intent on remaining independent till the elections in the belief that it can cut a more prominent figure than now after the elections. But the cautious DP leader seemed yesterday to have changed his approach, going as far as saying that he would not care about being branded as a "traitor" of the electorate of Kyongsang provinces because of his effort for opposition unification.

Hence, it seems prima facie that the political actors involved in the process of unifying opposition groups are well on their way to the destination. But political observers expect the course would not be as smooth as it might seem. The three sides, above anything else, have to settle the issue of how to form the leadership of the envisioned party.

The DP, whose rank and file are strongly repugnant for PPD [Party for Peace and Democracy] leader Kim Tae-chung, has conceded to drop its demand for Kim's retreat into the back stage. It also decided not to call for open competition for the selection of the leader of the new party. But this does not untie the knotty issue completely because the DP demands equal status for its leader Yi to that of the more senior and careered PPD president.

Negotiations would also be hard and enervating to strike a balance in power sharing among the three groups to compose the envisioned party. But these problems are expected to be overcome, although with difficulty, given the expressed zeal of the three component groups and the urgent necessity to stage a coherent struggle against the ruling party without further disarray within the opposition bloc.

It is an open question, however, what the opposition groups could accomplish after the amalgamation vis-a-vis the ruling side. It seems quite unlikely that they would be able to achieve what they are crying for—general and local elections. They would spend the hot summer days preparing for and organizing indoor and outdoor rallies to arouse popular support for their demands. But summer is obviously not a suitable season for holding rallies. And the opposition groups are not in a position to continuously hold these rallies, braving the hot weather. The PPD has to devote the coming week to preparations for its national convention scheduled for Friday. It also has to send its leader Kim Tae-chung on a European tour in the middle of next month. Moreover, the ruling side would not be sitting idly, looking on at what their opponents are doing. It would attempt to play the local election card to entice the PPD which has set the introduction of local autonomy as its paramount goal. Besides this, the DLP would mount intensive publicity campaigns which would play down major joint events of the opposition groups in newspaper coverage, as demonstrated by the timely disclosure yesterday of Soviet President Mikhail Gorbachev's letter to President No Tae-u and the unscheduled announcement about inter-Korea relations to be broadcast today.

The oppositionists' "supraconstitutional" demand for new general elections also militates against the efficacy of their struggle. Their demand is supraconstitutional because their is no provision in the present Constitution on the disbanding of the National Assembly.

The DLP has pointed out the unconstitutionality of the call for dissolution of parliament and a new general election and the PPD's argument against this sounds awkward, if not totally unreasonable. The opposition party argued that what they mean by "new general election" is actually across-the-board by-elections after the resignations of all ruling and opposition parties. But since these elections are by-elections, another general election is inevitable in 1992, meaning that the nation would have to hold general elections twice within the span of two years.

From all this comes the plausible scenario that the oppositionists, after accomplishing a unified front, would use the threat to boycott the September regular parliamentary sitting as a bargaining chip to obtain a promise from the ruling party of an early implementation of local autonomy and a revision of hastily treated legislative bills and other evil laws. Wire Version

### New 'Justice Democratic Party' Inaugurated

*SK2007022290 Seoul THE KOREA HERALD in English 20 Jul 90 p 2*

[Text] A new political party tentatively dubbed the "Justice Democratic Party" was inaugurated yesterday in a national convention held at the Seoul Press Center.

The middle-of-the-road opposition party elected Ko Tae-man president of the party.

The party, however, has no incumbent lawmaker at the National Assembly.

The Justice Democratic Party is the third splinter party inaugurated since the ruling Democratic Liberal Party was established earlier this year.

company position at the head of the Chamnaom bridge; and the fifth prong attacked the company position at Sala Muk Bei.

After a 30-minute battle, we completely liberated these five fronts. We killed 10 enemy soldiers on the spot, including a battalion officer and a company officer, and wounded 20 others; destroyed 91 assorted weapons, including a 122-mm, a 105-mm, and an 85-mm artillery piece, three 82-mm and six 60-mm mortars, 50 AK's, 10 RPD's, 12 B-40's and B-41's, five pistols, a Soviet-made Jeep, an ICOM field radio, a telephone, 15 military shelters, an ammunition dump containing 20 tonnes of assorted ammunition, and a quantity of war materiel.

We liberated 16 villages: Rongvoan Khang Kaeut, Boeng Srah, Dang Srang, Ta Pon, Tie Kanhchas, Tiem Roung Kou, Roung Kou Daeum, Roung Kou Chen, Sre Prey, Kouk Ponley, Chaoh Tumloap, Rongvoan Khang Lech, Pralay Cha, Roung Kou Kandal, Chamnaom Khang Kaeut, and Chamnaom Khang Lech.

## VONADK Notes Control of Battambang Villages

*BK2007020890 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 19 Jul 90*

[Text] Between 4 and 10 July, the Vietnamese enemy and puppets gathered two regiments of their troops from Battambang town, Banan District, and Route 10 and attempted to retake Kompong Kul factory, Roung, Thvea Toch, Thvea Thom, and Don May villages in Ratanamondol District [Battambang Province] from us. However, we ambushed and attacked them for four days, forcing them to retreat and disperse.

We killed 18 enemy soldiers and wounded 21 others; destroyed 15 assorted weapons, two ICOM field radios, and a quantity of war materiel; and seized some weapons, ammunition, and war materiel. We are still controlling these positions and villages.

## Khieu Samphan Statement Termed 'Nonsensical'

*BK2007103790 Phnom Penh Domestic Service in Cambodian 1300 GMT 19 Jul 90*

[Station commentary: "Nonsensical Utterance of the Old Tiger"]

[Text] When the big five members of the UN Security Council [UNSC] met in Paris on 16 July, Khieu Samphan told the French newspaper LE FIGARO that Vietnam and the State of Cambodia have been persisting in imposing a partial settlement which excludes the Khmer Rouge. This is a nonsensical and unfounded utterance.

To date, the State of Cambodia has repeatedly announced that it is prepared to participate in the search for an overall political solution to the Cambodian problem or, in other words, free, equal, democratic, and fair elections under international supervision. Nevertheless, the attempt to reach a comprehensive settlement has been stalemated over the issue of an administering authority during the period of transition in Cambodia, and consequently, the civil war continues in the country; the Cambodian people's blood continues to flow; and the ruin of the people's lives and properties persists.

That being the case, in order to end or at least alleviate the people's suffering, the government of the State of Cambodia has proposed that—since the attempt at a comprehensive settlement is deadlocked—the Cambodian problem be resolved partially with a view toward reaching a complete settlement. This partial solution consists mainly of implementing a military standstill; the cessation of foreign military aid for the antagonistic parties; the verification of the withdrawal of foreign forces from Cambodia; a ban on sending foreign troops back to Cambodia; free, democratic, and fair elections; and so on. A partial solution does not mean rejecting a comprehensive settlement; it is just part of the comprehensive settlement. It is with this view that a joint communique was signed in Tokyo on 5 Jun.

By all appearances, Khieu Samphan and his supporters' persistent demand for an immediate comprehensive settlement is a most perfidious maneuver. They have striven with all manner of gambits to create obstacles to a settlement of the Cambodian problem with the aim of continuing the civil war in Cambodia. Their last intention is to use violence to settle the problem, meaning they will use military force to seize power for the purpose of committing another slaughter of the Cambodian people.

The Cambodian people, who have an earnest aspiration to end the civil war in Cambodia, wish to remind Khieu Samphan that the government of the State of Cambodia does not object to a comprehensive settlement. Instead, it has at all times shown its sincere goodwill for a comprehensive settlement. However, if a comprehensive settlement cannot be achieved, it is wise not to delay and waste time; a partial solution should be considered. Moreover, Khieu Samphan's accusation and slander that Vietnam does not care about a comprehensive settlement becomes more and more unrealistic.

In the past, top SRV leaders announced on many occasions that Vietnam always respects the Cambodian people's right to self-determination, that is the people's right to vote in free, democratic, and fair elections in Cambodia.

The Cambodian people believe that Khieu Samphan's utterance in Paris, like his previous statements, are nonsensical and unfounded as they have already seen through the true nature of the old tiger and his clique.

### SPK Reports State Council's 12 Jul Session

*BK2007022490 Phnom Penh SPK in French 0110 GMT 20 Jul 90*

[Text] Phnom Penh, 20 Jul (SPK)—The State of Cambodia's State Council held an ordinary meeting on 12 July in the presence of its chairman Heng Samrin.

The meeting discussed the report of the Council of State on its activities—report to be submitted to the 19th session of the first National Assembly—particularly on the case of Vandi Ka-on, member of the Council of State. At the recommendation of the people's committee of Siem Reap-Oddar Meanchey Province, it decided to pardon eight detainees.

The Council of State also decided to award the "National Defense" order to 2,565 Cambodian officers and combatants and the "Labor" and "Victory" orders to units and individuals of the Agriculture Ministry. It also decided to promote seven high-ranking Cambodian officers and appoint deputy ministers and chairmen of provincial people's committees.

### Kong Sam-ol Receives Australian Senator 17 Jul

*BK2007080990 Phnom Penh Domestic Service in Cambodian 1300 GMT 19 Jul 90*

[Text] On the afternoon of 17 July at the Council of Ministers' office, Comrade Kong Sam-ol, member of the party Central Committee and vice chairman of the Council of Ministers, cordially received Robert Hill, senator of the Australian Liberal Party and member of the Australian Senate Foreign Affairs and National Defense Committee.

On the occasion, Comrade Kong Sam-ol welcomed the Australian senator's visit to Cambodia. With regard to a political settlement of the Cambodian problem, he said the Cambodian State's party and government have strived to achieve peace for the Cambodian people through negotiations and have made a great many concessions to the Cambodians of the other side. However, they continue to hinder the peace talks process for the purpose of dragging on and aggravating the war in Cambodia.

Concerning the refugee issue, Comrade Kong Sam-ol said the State of Cambodia's party and government were prepared to welcome back the Cambodian refugees repatriated from Australia. He also briefed Robert Hill on the economic liberalization policy, in particular the policy of freeing foreign investments.

The Australian senator thanked Comrade Kong Sam-ol for granting him the audience and pledged to do his best in order to vacate Cambodia's UN seat.

### 837 To Study in 'Friendly' Countries in 1990-91

*BK2007050290 Phnom Penh SPK in French 0400 GMT 20 Jul 90*

[Text] Phnom Penh, 20 Jul (SPK)—For the 1990-91 school year, the Education Ministry of the State of Cambodia will send 837 students to study in friendly countries: the Soviet Union, the GDR, Bulgaria, Czechoslovakia, Poland, Hungary, Mongolia, Laos, Cuba, and Vietnam.

Among the scholarships, there are 50 post-university trainees and over 500 for university studies. It is to be recalled that in the 1988-89 school year the number of Cambodians studying abroad was 876.

## Laos

### Kaysone Phomvihan's Financial Conference Speech

*BK1907072590 Vientiane PASASON in Lao 28 Jun 90 pp 1, 3*

[Second installment of Part III of speech by Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers, delivered at the first nationwide financial conference in Vientiane on 20 June; for first installment of Part III, see page 37 of the 17 July East Asia DAILY REPORT]

[Text] The risk in making investments is very high. All this has had an adverse effect on the development of capital sources in our country and on the balancing of our foreign trade. Imports dramatically exceed exports, thus causing the already negligible domestic capital sources (gold reserve and foreign currencies in particular) to increasingly drain to foreign countries with every passing day.

III. The finance, banking, and trading apparatuses and organizations are too obsolete and do not conform to the new development and complexity in the monetary, financial, and trading relations within the country and in the region. The standard of the economic and monetary management remains extremely weak. The mechanism for organizing and dividing the levels of management remains clumsy, slow, and inefficient. The flow of economic information is slow and lacks clarity. Account books lack unification and details. The finance inspection system lacks effectiveness. The comprehensive coordination among the various services, such as among the finance, banking, and trading sectors, remains confusing and does not conform to their respective roles. Each sector arbitrarily and subsistently carries out its own work without paying heed to the common interests of the country. The system in guiding the economy and finance from the center down to the provincial and district levels is, on the one hand, characterized by bureaucratic features because the lower levels are always neglected and, on the other hand, arbitrary, autocratic, and extremely confusing.

Therefore, the state must have a policy regarding the acquisition of revenue and the planning of expenditure in the budgets for the years to come to fulfill the following fundamental tasks:

**1. Criteria for defining the amounts of revenue and expenditure in the budgets.**

The primary objectives of the state budgets are to sustain the functioning of the state apparatuses and to ensure achievements for the national defense and public security maintenance work and for social, cultural, and economic development projects. These objectives are the fundamental criteria for defining the overall expenditure in a reasonable, realistic, and efficient manner for socioeconomic development work. At the same time, the state must have a plan to cut down the expenditure by relying on the actual objectives of the socioeconomic development work in each period as a guideline. The following finance sources have the tasks of generating revenue to meet expenditure in the budgets: revenue from the collection of taxes and fees, revenue from foreign loans and foreign aid, and revenue from domestic loans acquired from the banks that accept saving deposits from or sell bonds to the general public. The reliable finance sources which are capable of generating fixed amounts of revenue for the budgets are taxes and fees. As for the amounts of foreign loans and aid and domestic loans from the people, they can be determined only by subtracting the total amounts of expenditure required for the budgets with the amounts of taxes and fees collected. The fundamental components of revenue and expenditure in the budgets can be readjusted in accordance with the actual development in the economic and political situation and the international relations in each period.

2. The important components of revenue are taxes and fees of various types. The criterion for defining tax rates is not the overall level of economic efficiency. It is the actual categories of taxes themselves as well as the objectives for defining the direction of the economic structure (taxes collected from earnings of enterprises) and the direction of society (personal income taxes collected from private persons). For example, taxes from profits must be collected from the actual business profits. Taxes from goods must be collected from the actual business quantity of goods without taking into account whether such goods are efficient or not. The issuance of permission for trading (patents) must be based on the business registration of a profession without considering whether that profession can generate business earnings or not. All types of taxes must be collected via different laws and regulations. Once laws are enacted for the collection of different taxes, they cannot be arbitrarily altered. Taxes and fees of all forms are considered the general income of all members of our society and must be returned to society. Therefore, in implementing and managing the policy on tax collection, we must use the average per capita income as a basis for computing the entire internal revenue of the country. If the per capita income is low, the percentage of the national revenue of the country is also low. If the percentage of revenue is either too high or too low, the actual levels of taxes collected on certain categories of goods or services may be readjusted accordingly.

A report presented by ESCAP [Economic and Social Commission for Asia and the Pacific] on tax collection in third world countries stated that the ratio of revenue collected from taxes to the national income for a country with low per capita income is approximately 13 percent. Meanwhile, the ratio for a country with medium per capita income is 18 percent, and the ratio for a high per capita income country is 23 percent. The structure of various types of taxes is as follows:

1) Income Tax is 28.70 percent, 13.40 percent of which is collected from the revenue of companies and 10.30 percent from personal income [as published].
2) Domestic goods and services tax (including value added tax): 28 percent (including taxes from the consumption of tobacco, liquor, beer, and fuel oil. These comprise 12 percent).
3) Export and import taxes: This is 30 percent, 25 percent of which come from imports and five percent from exports.
4) Other taxes and fees: 13.30 percent.

For countries where the per capita income is over U.S. $350 per year, import tax comprise between 40 and 50 percent of the total tax collected while fees collected from the consumption of liquor, beer, and fuel oil comprise between 17 and 20 percent of the total tax.

In our country, various taxes which have already been categorized and implemented have some shortcomings. Substantial statistics have to be compiled for study so that reasonable corrections can be made. For example, the export tax on many types of goods is too high. Also, the import taxes on many kinds of goods have not been fixed. The import of production materials and finished products have not been determined as useful to the promotion of domestic production and production on contract. The tax rate on certain domestic products are too high, for instance taxes collected from profits [as published]. In addition, consideration must be given to agricultural taxes collected from remote localities where productivity is low and where taxes are paid irregularly. These localities should either be exempted from tax or they should pay taxes in the form of paddy or agricultural products in lieu of cash.

The urgent problem at present is that tax collection is unsystematic, confusing and ineffective, especially in the collection of import, industrial, and business taxes. This results in huge losses in national revenue. According to surveys conducted by several teams, this loss amounts to between 30 and 40 percent of the total revenue each year. Corruption is prevalent among government circles collecting taxes, and the trend is rising alarmingly. Therefore, it is necessary to urgently implement measures to curb this trend. If tax evasion and corruption continue

unchecked, the management of state finance from the center to local levels will become more ineffective and inefficient.

From my discussion in Part One, the tax collection mechanism must be organized to carry out its work in a centralized and unified manner from the center down to the local (provincial and district) levels. Therefore, we must speedily set up a unified National Tax Management Department and tax collection regulations. In doing so, we must pay attention to the following fundamental issues:

—The unified National Tax Management Department must be an independent body operating under the supervision of the Ministry of Economy, Planning, and Finance with independent branches in various localities. These branches must be under the department's vertical control. The state is responsible for assigning the necessary apparatuses to these branches.
—A system must be established to facilitate tax collection so that all taxes will be collected in full. Under this system, tax evaders will be fined. Corrupt tax collectors and tax evaders will also be punished.
—Tax cadres must first be loyal to the country and be honest. They must have specialized knowledge on finance and economics and must be able to mobilize the public to implement the state's tax policy effectively.
—Tax collection must be carried out enthusiatically and responsibly. The data on declared taxes [by tax payers] for collection must be thorougly checked and accurate. For small traders, taxes must be estimated and then collected. This is to prevent unnecessary complications and to allow for efficient inspection.
—Various services at the center and the administration at all levels have to enforce the state's tax laws. This duty is also regarded as a political task for the masses. The administration at all levels have to punish all tax violators. They and all services are forbidden from adjusting or increasing any taxes or fees without prior directives from the central legislative and administrative organizations.

It must be understood that the spending of state budgets is geared primarily to help improve the efficiency in the management of state apparatus. In addition, it is to help ensure the country's appropriate management of national defense and public security maintenance work, and social, economic, and cultural development.

The state expenditure for economic objectives must be centrally managed and must be primarily financed by foreign loans. The government's budget for economic projects must be acquired through credits from investment banks. These banks must be responsible for administrating the capital and dealing directly with legal bodies and private persons who have business and bank credit. Banks are prohibited from dealing through the state's economic management organization. Those who are granted bank credits must repay their loans and their interest on time. They must prepare economic and technical studies and fulfill other state regulations on investment for economic development. Development banks are responsible to the government in fulfilling their obligations and in honoring all accumulated foreign debts. They must also fulfill their obligations to their clients.

The Ministry of Economy, Planning, and Finance must plan the use capital sources with the aim of building an appropriate economic structure. At the same time, it must introduce key investment projects to the state and must cooperate with the banks in economic development to see that the state's investment projects are efficiently executed. Measures must be taken to stop administration at all levels from using state funds to make unnecessary investments which are poorly planned and which do not have revenue to pay back foreign loans. Some examples are investing in too many saw mills, launching coffee production projects, modern rice mills, and automobile repair workshops and warehouses, all of which are very costly. These projects are on the brink of bankruptcy because they cannot generate the revenue to pay back their loans.

We must be determined to reorganize state economic management apparatuses from the center down to local levels by simplifying them and reducing their staff. (We may have to set aside state funds as severance pay for retrenched state apparatus personnel.) In the future, regulations must be enforced on the number of the state's apparatuses and cadres, whose salaries are presently very low. We must have an annual plan with details about the number of cadres and their salaries each year. The plan must be openly declared so that the state will be able to use it as a basis for securing enough salaries for cadres in time.

Spendings in culture, education, public health, science, and technology sectors must be planned for. Of course, spending on these specialized plans must be lower than those for administrative organizations. Efforts must be made to encourage these specialized sectors to expand their services so as to increase their income. The people should be encouraged to contribute to these sectors (for example in building hospitals, schools, and cultural associations) on the basis of cooperation between the state and people. As for various mass organizations, namely youth, women, trade unions, and other mass associations, members should be encouraged to contribute. Also, their management and administrative cadres should be cut to ease the burden on the budget. In addition, money must be set aside to directly assist various beneficiaries of our social policy, such as the families of those who have sacrificed their lives or who have become disabled from the revolutionary struggle, old people who have no relatives, and natural disaster areas.

A study to set up an insurance company must be made with all or part of the initial funds coming from the state. This company is to attract premiums and provide insurance to the public and various business sectors. In other

sectors, spending must be planned on the basis of requirements and the current level of expenditure.

The spending on national defense and public security maintenance work must be adequate to ensure that our Armed Forces are capable of defending our country and our revolutionary administration. Spending must be in tune with our economic abilities. We must skillfully link national defense work with the foreign policy of peace and independence so as to gradually reduce national defense spending, which presently comprises the main part of our budgets. We must have a plan to pay salaries to officers and soldiers on time. Routine expenditure for national defense must be met. In addition, funds must be set aside for buying fuel oil, food, and weapons.

On the payment of foreign debts by the government, it has been said that acquiring loans is an art. Therefore, loans must be paid back on schedule so as to create mutual trust. This is the secret of the art. When loans are repaid on time, it will be easier to get more loans in the future. Therefore, attempts must be made, on the one hand, to negotiate with creditors for loan extensions on certain projects. On the other hand, we must set aside a budget to repay debts which are due, especially those owed to major international monetary organizations. This, again, is to create trust so that new loans can be acquired with better payment conditions and for longer periods. At the same time, we must also comply with foreign currency management rules aimed at broadening and controlling legitimate foreign currency markets. We must effectively control the export of gold and foreign currency from our country. At the same time, we must employ economic, monetary, and trading measures to promote export and services which earn foreign currency for our country such as tourism and visits to border areas. Foreign currency earnings of various companies should be increased to gradually create a balance between import and export. Foreign currency spending must be gradually reduced so it can be used to repay government debts.

The state treasury must monitor gold and foreign currency flow to ensure the balancing of budgets and to meet urgent needs. Treasury reserves must be adequate to meet one month's budget expenditure. Spending from this can only be authorized by the chairman of the Council of Ministers. The Ministry of Economy, Planning, and Finance, and the Treasury Department in particular, has the responsibility to manage this money and to see that they are always prepared for emergencies.

To ensure a uniformity in government budget spending and to increase the efficiency of cash circulation throughout the country, the Treasury Department must be set up as soon as possible. The treasury must carry out its work in a centralized and unified manner from the center down to the local levels under the direct supervision of the Ministry of Economy, Planning, and Finance. They must have a unified accounting and financial system and must follow normal and definite rules in the acquisition of revenue, expenditure administration, and the maintainence of adequate funds. This is to assist the Ministry of Economy, Planning, and Finance as well as administration at all levels in ensuring that revenue and expenditure plans are executed in accordance with the principles of finance and that it is done correctly, objectively and on time in order to end arbitrary and careless spending.

At this conference, you, comrades, have studied, discussed, and expressed views on the new regulations on the organization and activities of tax and fee collection services, the financial system, the procedures in government budget spending and a number of other regulations on finance. When this conference ends, we must expeditiously consolidate existing rules on finance and set up new ones, especially on unifying statistics and accounting, and regard them as effective and fundamental tools in managing the state's finance. The present trend in international finance is to unify the maintenance of statistics and accounting. This includes the method of predicting macroeconomic items such as national revenue and social productivity. The trend is also to unify the charting of finance reports and ledgers and regulations on the signing of agreements and other financial documents. Several socialist countries are following this trend. Therefore, the Ministry of Economy, Planning, and Finance must assign an agency which it will supervise to study and apply this trend in our country.

In addition, it must also contact the United Nations, especially the UNDP [United Nations Development Program] and its statistics and accounting department to request for technical assistance. In addition, it should set up contacts with UNIDO [United Nations Industrial Development Organization] to ask for technical assistance in a study on industrial development. After that, a research center must be set up to study new investment projects, implement existing state investment projects, and assist the private sector in these matters.

While comprehensive changes have occurred in our economic mechanism, such as in the granting of the right to mastery in finance work to grass-roots production units and various commercial banks, the development of private and joint business enterprises, and the setting up of businesses with foreign investors and foreign countries, the management of our finance has become more complicated. In the immediate future, fundamental changes will occur in the import-export mechanism, foreign currency management, and the money markets. One example is the gradual abolition of the issuance of import-export permits via the system of registration and reporting. Therefore, it is necessary that we urgently set up a finance management system and mechanism to suit the realities of the country.

One of the main tasks which we must pay special attention to is the creation of a finance inspection system for both state and business enterprises so as to allow them to function according to state regulations.

## 'Grand Rally' Marks Women's Union Anniversary

*BK2007064390 Vientiane Domestic Service in Lao 0500 GMT 20 Jul 90*

[Text] On the occasion of the 35th anniversary of the 20 July founding of the Federation of Lao Women's Unions [FLWU] this morning, the Standing Committee of the FLWU Central Committee and the women's union of Vientiane Municipality held a grand rally at Vientiane Theater to mark the event with the attendance of more than 1,000 heroines, senior women, intellectuals, and representatives of women attached to various ministries, departments, offices, and organizations under the party Central Committee and the Vientiane Municipal Administrative Committee.

Attending the rally as honor guests were Oudom Khat-thi-gna, alternate member of the Political Bureau and secretary of the party Central Committee, head of the party Central Committee Organization Board, and adviser of mass organizations; Choummali Saigna-son, alternate member of the Political Bureau and secretary of the party Central Committee and first deputy national defense minister; Mrs. Khampheng Boupha, former member of the party Central Committee and former chairman of the FLWU; Mrs. Phetsamon Lasasimma, member of the party Central Committee and adviser to the FLWU; members of the party Central Committee; ministers and deputy ministers; and representatives of mass organizations.

At the grand meeting Mrs. Onchan Thammavong, member of the party Central Committee and chairman of the FLWU, delivered a speech recalling the glorious traditions created by multiethnic Lao women while carrying out the national liberation struggle alongside their male counterparts in the past and the national defense and national construction at present.

## Paper Notes 'Friendly Relations' With Thailand

*BK1907120990 Vientiane Domestic Service in Lao 0500 GMT 16 Jul 90*

[PASASON article: "Relations Between Champassak and Ubon Ratchathani Provinces"]

[Text] Following the signing of the Lao-Thai joint communiques by the Lao and Thai prime ministers in early January 1979 and November 1988, Lao-Thai friendly relations have gradually improved. In the southern region, the delegation of Ubon Ratchathani Province of the Kingdom of Thailand led by Saisit Phonkeo, governor of that province, paid an official visit to Champassak Province on 19 and 20 June at the invitation of Sounthon Thep-asa, chairman of the administrative committee of Champassak Province. The visit constituted a milestone in the history of the good-neighborly bilateral relations.

Upon arriving at Chong Mek pass on the Lao-Thai border, the Thai delegation was greeted by Mani Heuangvongsa and other officials concerned. At the Pakse Hotel, where the Thai delegation stayed and held talks with its Lao counterpart, Sounthon Thep-asa and his accompanying delegation warmly welcomed the Thai visitors. In the evening, the delegations of the two provinces held talks on various issues of common interest. The Thai delegation also visited a number of factories such as rattan and wood furniture factories in Pakse Municipality. The officials and workers of those factories afforded the delegation warm hospitality. During the visit, the delegations of the two provinces also signed a memorandum on promoting cooperation on the basis of good-neighborliness for the benefit of the Lao and Thai peoples. The contents of memorandum are as follows:

1. The two sides agree to jointly suppress crime along the common border area as prescribed in the third clause of the minutes of the Lao-Thai consultations held in Nakhon Phanom Province on 26 May 1990.
2. The two sides will hold consultations on any incident or problem that may arise along the common border in order to prevent it from affecting the interests of the people of the two provinces. The two sides will also instruct the joint coordination committee to collect relevant information to quickly solve the problem through peaceful means.
3. As the two provinces are waiting for the decision to be made by their respective governments on tourism and border pass crossing, the two sides agree to implement the memorandum signed between the delegations of the two provinces on 11 March 1989. Both sides will inform each other about the actions they have taken in this connection.
4. To promote good relations and solve problems, both sides agree to appoint a joint coordination committee comprising not more than 12 representatives from each side.

After the meeting, Sounthon Thep-asa said that both sides were unanimously satisfied with the existing fraternal and neighborly relations between the two provinces and agreed to further promote such relations for the benefit of the Lao and Thai peoples, adding that these are good conditions for the people in the two provinces to earn a living and maintain normal peaceful contacts. The success of the meeting will further enhance the solid ties between the people of Champassak and Ubon Ratchathani Provinces and contribute to the development of friendly bilateral relations.

## Indochinese Countries Sign Banking Memorandum

*BK1907145790 Vientiane Domestic Service in Lao 1200 GMT 18 Jul 90*

[Text] The state bank of the Lao People's Democratic Republic [LPDR] organized a ceremony for the signing of a memorandum on cooperation among the state banks of Laos, Vietnam, and Cambodia in Vientiane Capital yesterday morning.

Signing the memorandum were Pani Yathotou, chairperson of the state bank of the LPDR; Coa Sy Khiem,

director general of the Vietnam State Bank; and Cha Rieng, director general of the People's National Bank of Cambodia. The signing ceremony was also witnessed by foreign diplomats and high-level officials.

## Philippines

### Honasan Offers 'Temporary Halt' to Struggle

*HK2007081190 Hong Kong AFP in English 0804 GMT 20 Jul 90*

[Text] Manila, July 20 (AFP)—Rebel military officers Friday declared a temporary halt in efforts to topple President Corazon Aquino and offered their "expertise and resources" to ongoing relief work in the aftermath of a major Philippine earthquake.

"For our part, the leadership of the RAM-KSP declares a temporary and unilateral stop to our struggle against the Aquino government in this time of national emergency," rebel leader Gregorio Honasan said in a signed statement sent to news organizations here. RAM-KSP stands for Reform the Armed Forces Movement and Soldiers of the Filipino People, which was responsible for the sixth and bloodiest coup attempt against Mrs. Aquino in December. Mr. Honasan, a former Army colonel cashiered for his involvement in a 1987 coup attempt against Mrs. Aquino, called on the government to declare in turn a "temporary and finite moratorium period" in government efforts to locate, arrest and detain rebel officers. He called on the Aquino government to "set aside politics to enable us to fully cope with this tragedy." There was no immediate comment available from the presidential palace on the offer.

### Guerrilla Emissaries Contact Bishop on Hostages

*OW1907143490 Tokyo KYODO in English 1320 GMT 19 Jul 90*

[Text] Bacolod, Philippines, July 19 KYODO—Retired Bacolod Bishop Antonio Fortich said Thursday he has agreed with communist guerrilla envoys to urge a panel working for the release of two kidnapped foreign aid workers to seek a district-wide ceasefire to hasten the release of Japanese Fumio Mizuno and American Timothy Swanson.

During an interview with KYODO NEWS SERVICE, Fortich, a member of the multi-sectoral panel, declined to divulge details of the preliminary talks. Rebels sent a three-page letter to Fortich on June 13 that outlined the conditions under which the two foreigners would be released. Mizuno, 36, a training director of the Organization for Industrial, Spiritual, and Cultural Advancement (OISCA), was kidnapped by rebels on May 29, while Swanson, 26, a U.S. Peace Corps volunteer, was abducted on July 13. Both incidents happened in the central Philippine province of Negros Occidental.

Fortich said he failed Thursday to meet, as scheduled, with some of the rebel leaders because military checkpoints prevented them from seeing him. He said he received word of the blockade from a rebel courier. Fortich said he will call a committee meeting as soon as the rebels advise it. He said the release must occur in an area covered by a military truce.

"The courier is still looking for the proper venue," Fortich said. "We have not yet declared a safety zone, the place for turnover." Rebels have promised to release Mizuno and Swanson within the month.

### NPA 'More Vulnerable Than Ever' to Government

*HK2007084590 Manila MANILA BULLETIN in English 19 Jul 90 pp 1, 22*

[By Olaf S. Giron]

[Text] With its leaders squabbling and its membership falling, the New People's Army (NPA) is more vulnerable than ever to the anti-insurgency efforts of the Manila government and to the loss of face that communism has experienced in Eastern Europe in the past year. This is part of an assessment made by Philippine military and diplomatic intelligence sources of the current insurgency situation in the Philippines. The assessment also said:

1. The new wave of assassinations carried out by the NPA and its attempt to exploit the bases issue indicate the desperation of the communists 22 years after the party's founding.

2. Terror against U.S. personnel stationed at the bases and also against Filipinos—civilians as well as solders and government officials—seems to be the only way the increasingly demoralized Communist Party of the Philippines (CPP) can attract attention.

The sources noted that in mid-May, at the start of the latest round of Philippine-United States negotiations about the future of U.S. military bases in the country, the NPA issued a "warning" that it would continue killing Americans until all U.S. military bases and personnel are removed from the Philippines. At the same time, the NPA claimed responsibility for the murder of two U.S. airmen, gunned down at close range by three youths outside the Holiday Lodge motel near Clark Air Base. Those murders brought to 10 the number of U.S. personnel assassinated by the NPA since 1987 and signalled a switch from earlier communist tactics of targeting only higher-ranking officers.

### Further on Efforts To Garner Earthquake Aid

#### Press Secretary on Relief

*HK2007103390 Quezon City Radyo ng Bayan in Tagalog 0915 GMT 20 Jul 90*

["Exclusive interview" with Press Secretary Tomas Gomez the Third, by Tanny Rodriguez—live or recorded from Malacanang—itaiicized portions in English]

[Excerpt] [Gomez] Good day to all. At 2000 tonight, a cabinet meeting will be held and will listen to a report by the National Disaster Coordinating Council under Secretary Ramos. An assessment report will also be given to the president and the cabinet this evening.

This afternoon, a proclamation was issued covering Tarlac and Nueva Vizcaya under a state of public calamity. It will be recalled that a state of public calamity was first declared in Cabanatuan, Baguio, and Dagupan as the degree of destruction in other areas was still unknown. *But as reports continue to come in, when we were able to assess the damage,* we also included these areas. There are those who claimed that La Union was ignored, but that is not true. As early as Wednesday morning, Secretary Ramos and Secretary Orbos were already in La Union. The area could not be covered all at the same time because *they can only be in one place at one time. But the fact is proper attention was given* and all necessary assistance is being extended.

Earlier, the president instructed Secretary Estanislao of the Department of Finance, that the Philippine National Bank, the Development Bank of the Philippines, and the Land Bank should allocate 600 million pesos as a reconstruction fund for small- and medium-scale businesses that were destroyed in the affected areas. An interest rate of 16 percent will be charged for a five-year term of repayment period.

The same is true with the Social Security System. It will be recalled that it allocated 2 billion pesos for business development last month. Secretary Estanislao has also ordered the Social Security System to include loans for reconstruction of destroyed business establishments.

*This is not really the best. The best is* for none of this to happen. *But the government is responding to the needs of the hour so that in the shortest possible time, the businesses that were affected would be able to get back to its feet.*

[Rodriguez] Mr Secretary, the House of Representatives has proposed a moratorium on foreign debt payments amounting to 30 billion dollars for the next two years as a way for our economy to recover from the destruction caused by the earthquake.

[Gomez] I think this proposal should be studied because we do have obligations. But all these questions will be studied and we will abide by what is best in the national interest. We cannot only look at the short-term solutions. *We really have to take a look at it from a long-term point of view, not just within the next two years, but even during the next five, ten, and 15 years* because whatever loans we get for reconstruction of the damages will still have to be repaid. We need to strike a balance between nonpayment of debts and securing of new loans. It should be viewed *not just in one aspect but from all sides of the question.*

[Rodriguez] Mr Secretary, we note from the television footage that the damage was really tremendous. *Would you think that this would also change or shift the priorities of the government,* shifting attention to development of these already developed areas?

[Gomez] I think that is what is going to happen because we do not have a solution to all our needs. *Having limited resources, I guess what we will have to do is to realign or reassign some of these resources* because our priority has changed. Our priority now is the disaster-stricken areas, *so we really have to attend to them. Having limited resources,* if we have 100 million that should have been divided equally among other parts of the Philippines, I suppose aid to others will have to be reduced and given to those in greater need.

*We can expect there would be some changes in our geographic priorities for development purposes.*

[Rodriguez] On another subject, based on the instruction issued by the president yesterday, the Department of Trade and Industry has set price ceilings on basic commodities in disaster areas.

[Gomez] Secretary Concepcion has already reported on the price control measures he has introduced, and the reception appears good. The so-called high class living is suffering, but since we are only common folk or have middle class taste, everything is okay, as the commodities we purchase remain at the same price level. It is the prices of high class items for high class people which went up. They can afford the slight increases in prices. *By and large,* the businessmen in Baguio seem to be cooperative. [transmission break]

*This is Executive Order No. 415 lifting the daylight saving time program instituted under the National Emergency Memorandum Order [Memo] No. 17 effective midnight of July 28, 1990. The daylight saving time instituted under memo order No. 17 is hereby lifted effective midnight of July 28, 1990 Saturday, by adjusting the official clock one hour earlier, meaning to say that at 12 o'clock midnight of Saturday, July 28, 1990, it will be brought back to 11 P.M. in both public and private sectors.*

*In constituting a disaster relief coordinating team for the Provinces of Nueva Ecija and Nueva Vizcaya, the president named as chairman the Honorable Manuel Estrella of the Philippine National Oil Company. He will be assisted by members from the Department of National Defense, the Department of Public Works and Highways, and a representative from the Office of the Press Secretary.*

*The problems have happened all at the same time. To begin with, even if we had all the resources, we cannot deliver these because it is in the very nature of this earthquake, because of this disaster, but those areas are really inaccessible at the moment. So it takes time.* Those who criticize about the roads not being opened, *they have absolutely no idea of the amount of stones and rocks there. You have to take time. The best thing I can say is: Your government has not been remiss.* We have not failed in according proper attention and action and *to respond to*

*this.* The obstacles lie in us *not having all the resources. But whatever it is that we have,* we are giving it all. *That is the reason why* it hurts that *despite the fact that all these things are being done,* there are still so many critics out there who lambast the government, *despite the fact that there is a very sincere effort.* The only reassuring thing is that *by and large, the vast majority of the Filipino people really have shown their goodwill.* There are some columnists in the papers and on the radios who want nothing but to destroy our government and, in process, our nation, too because it appears to foreign countries that we are doing nothing. *But the fact is: We would like to invite them to go over and take a look at what is happening in the areas of disaster.* [passage omitted]

### Aquino Imposes Price Control

*HK1907094190 Manila Radio Veritas in Tagalog 0800 GMT 19 Jul 90*

[Italicized portion in English]

[Text] President Corazon Aquino issued Executive Order 414 *and this is directing emergency measures to prevent excessive increases in prices of prime and essential commodities, and to protect the people from hoarding, profiteering, injurious speculation, manipulation of prices, and other pernicious practices in areas severely stricken by the recent earthquake.*

*Whereas to prevent unreasonable increases in the price of prime and essential commodities and artificial shortages, therefore, in the areas severely stricken by the recent earthquake, and to protect the people from hoarding, now therefore, I, Corazon C. Aquino, president of the Philippines by virtue of the powers vested in me by law, do hereby order: Section 1, the Secretary of Trade and Industry is hereby directed to impose price ceilings on prime and essential commodities in the areas severely stricken by the recent earthquake and to take such measures as may be appropriate to ensure the availability of, and to maintain, reasonable prices of said commodities at pre-earthquake levels.*

*Section 2: The prime and essential commodities shall include among others the following: Rice, milk, sugar, chicken, pork, flour, kerosene, liquified petroleum gas, cooking oil, canned goods, medicines, drugs and pharmaceuticals.*

### Loan Offers To Be Examined

*HK2007034990 Quezon City Radyo ng Bayan in Tagalog 0300 GMT 20 Jul 90*

[Italicized portions in English]

[Text] The government is studying which reconstruction loan would be best for the Philippines. This was the statement made by Press Secretary Tomas Gomez III in view of loan offers from the World Bank and the Asian Development Bank for the rehabilitation of earthquake-stricken areas.

The secretary told PBS [Philippine Broadcasting Service] radio network that the government will consider offers on the basis of the country's capability and interest.

[Begin Gomez recording] If the offer comes from a financial body, we need to study how it can be dealt with. We cannot just accept any loan offer coming our way. We may not be able to repay it. *We will have to equate this with our capacity to pay.* Now, our friends in the House of Representatives, specifically Rolly Andaya, have proposed that we be exempted from paying our debts for the next two years. *So, all of these things will have to be discussed and we will find out what is in the national interest.*[end recording]

### International Banks Responding

*HK2007092490 Manila Radio Veritas in Tagalog 0800 GMT 20 Jul 90*

[Text] President Aquino reported the World Bank and Asian Development Bank [ADB] have responded to an appeal by Finance Secretary Jesus Estanislao for reconstruction loans following the earthquake which recently hit the country. According to her, ADB will provide technical assessment of the cost of reconstruction, while the World Bank will dispatch a technical team to assist the Department of Public Works and Highways [DPWH] in determining the amount of loan the country requires.

The president also issued an order for speedy implementation of construction projects.

Meanwhile, President Aquino also signed Proclamation No. 618, declaring a state of public calamity in Tarlac and Nueva Vizcaya, which also were hard hit by the powerful earthquake. The president's proclamation was read by Press Undersecretary Deedee Siytangco.

[Begin recording in English—in progress] ...goodwill that has been shown by all toward us in our hour of need has been very touching. I can only hope that we do not rush into any resolution or action which can be misunderstood to a point where it undermines the goodwill and credibility we now enjoy, as well as the already ongoing efforts to mobilize external financial resources for our needs.

Both the World Bank and the ADB have already responded favorably to the initial appeal made by Secretary Estanislao. ADB is giving us the grant to help us make technical assessment on the cost of reconstruction. The World Bank is willing to send a technical team to help the group coordinated by the DPWH in determining the amount of loan we require. Until this team completes their work, we can only help get estimates of our requirements. But I have given instructions that all teams complete their work in the shortest time possible.

Secretary Estanislao has already reported to me that PNB [Philippine National Bank], DBP [Development Bank of the Philippines] and the Land Bank are setting

aside a 600-million pesos reconstruction fund for small- and medium-scale business establishments in the affected areas. These loans are to be granted at an interest of 16 percent per year under substantially liberalized collateral requirements and up to a term of five years.

In addition, the SSS [Social Security System] is revising its guidelines for Kasapi [expansion unknown] so that business reconstruction in the affected areas can be included under its lending program through participating financial institutions. The GSIS [Government Security and Insurance System] and the SSS are expanding their home reconstruction lending program under revised guidelines in the affected areas. All the government housing agencies are also coordinating their programs to expand the systems and services to the earthquake-damaged areas.

The governor of Centrai Bank [CB] is also working with the Bankers Association of the Philippines [BAP] and the Chamber of Thrift Banks so that the private banking sector can follow the lead already set by the GFIS [government financial institutions]. The CB governor has reported a favorable response and specifics will be announced by the BAP and the Chamber of Thrift Banks.

I have signed Proclamation No. 618 declaring the existence of a state of public calamity in Tarlac and Nueva Vizcaya, which were also heavily damaged by the strong earthquake. [end recording]

### Jan-May Oil Import Bill Rose 19.3 Percent

*HK2007084390 Manila THE MANILA CHRONICLE in English 19 Jul 90 p 11*

[Text] The Country's net import bill during the first five months of the year rose by 19.3% to $644.6 million from $540.3 million in the same months last year, a report from the Office of Energy Affairs (OEA) showed.

According to the OEA, this was due to higher volume of crude and finished petroleum-based products importation which registered a 7.4% increase from 33.8 million barrels in the first five months of last year to 36.3 million barrels. Gross import volume during the period was placed at 38.736 million barrels worth $688.3 million. This, however, was trimmed down to 36.3 million amounting to $644.6 million after offsetting exports and sales to U.S. military bases here amounting to about 2.4 million barrels worth $43.6 million. Exports of processed petroleum products went mainly to Japan and other Asian cities. The average crude cost for May was $15.25 per barrel representing a decline from April's $16.27 per barrel and last year's average of $16.44 per barrel.

Increased importation was due to a 7.1% rise in the demand for petroleum products particularly gasoline, kerosene, diesel, and liquefied petroleum gas. Fuel oil consumption declined by 4.7% mainly because of either forced-outtage or scheduled major repair in National Power Corp.'s Malaya and Sucat Thermal Plants. Demand for diesel, however, remained robust, increasing by 28.7% due to Napocor's full utilization of its newly acquired gas turbines. The power generation sector was still the biggest user of petroleum products accounting for 8.3 million barrels or 7.9% more than its consumption of 7.69 million barrels last year.

Another big user of petroleum products during the five-month period was the mining sector which registered total consumption of 1.09 million barrels or 10% more than its year-ago level. The fertilizer sector registered the highest growth in the demand of 118% from 23,000 barrels in the first five months last year to 51,000 barrels this year. Lube refining followed with a growth of 51.1% from 204,000 barrels last year to 308,000 barrels. The coconut/vegetable oil industry registered a growth of 41.2% in consumption this year from 97,000 barrels last year to 137,000 barrels this year.

Other big users of petroleum products during the period were the cement sector, the sugar industry, the logging industry, the fishing sector, the chemicals sector and food processing. The Middle East led by Saudi Arabia remained the biggest supplier of crude and other petroleum products to the Philippines, accounting for 28.86 million barrels or 83% of total Philippine importation this year. Its contribution rose by 20.5% from 23.9 million barrels last year while its share in the market rose from only 73.4% to 83%.

## Thailand

### Further on Change in U.S. Policy on Cambodia

#### Leaders Comment

*BK2007015590 Bangkok BANGKOK POST in English 20 Jul 90 p 1*

[Text] Prime Minister Chatchai Chunhawan yesterday said the decision by the United States to withdraw recognition from the Cambodian resistance supported his view that a solution to the conflict in Cambodia required contact with all the warring factions. A solution to the 11-year conflict must include not only the three resistance groups—the Khmer Rouge and noncommunists loyal to Prince Norodom Sihanouk or former premier Son Sann—but also the Vietnamese-backed government in Phnom Penh.

Gen [General] Chatchai in January 1989 became the first Thai prime minister to receive Phnom Penh Prime Minister Hun Sen.

The political winds in Southeast Asia "are changing and we have to follow closely," Gen Chatchai told reporters.

In announcing the policy shift in the US on Wednesday, Secretary of State James Baker made clear that the US

would vote for the Cambodian seat at the United Nations to be left vacant. The resistance has held the seat for 11 years.

Gen Chatchai declined to state Thailand's position on the issue, saying he wanted to hear ASEAN's views first. ASEAN foreign ministers are due to meet in Jakarta next Tuesday and Wednesday. Mr Baker will represent the US in talks with ASEAN foreign ministers in Jakarta from July 27-29.

Meanwhile, Foreign Minister Sitthi Sawetsila quoted US Ambassador to Thailand Daniel O'Donohue as saying the policy shift was aimed at preventing a return to power of the Khmer Rouge. Mr O'Donohue, in a meeting with Permanent Foreign Secretary Kasemsamoson Kasemsi on Wednesday, said the US would continue to support the noncommunist resistance groups led by Sihanouk and Son San.

ACM [Air Chief Marshal] Sitthi said the US decision to open talks with Vietnam and Phnom Penh on finding a solution to the conflict was in line with Thailand's policy. More discussion with the US on the matter was expected, he said.

Army Chief Gen Suchinda Khraprayun said the US shift on Cambodian policy was a political move that would not have any immediate impact. Asked to comment on the announcement that the US would no longer recognise the Cambodian resistance coalition, Gen Suchinda said this move would not generate any problem. "I don't think the US will reconcile with Vietnam, but the US may have some idea on the Cambodian settlement due to strong opposition to the Khmer Rouge and their history. I think this is a political move," he said.

### Sitthi Mentions ASEAN Role

*BK2007052990 Bangkok MATICHON in Thai 20 Jul 90 p 7*

[Text] U.S. Secretary of State James Baker announced on Wednesday that the United States will withdraw its recognition of the tripartite Coalition Government of Democratic Kampuchea [CGDK] and open a new dialogue with Vietnam to find ways to settle the Cambodian problem. Following the announcement, Prime Minister General Chatchai Chunhawan remarked on Thursday that the U.S. move was in line with his earlier prediction that contacts would have to be made with all the Cambodian factions and not with only three factions. He said: "The winds in Southeast Asia are shifting direction. We must appropriately adjust ourselves to their new direction."

Meanwhile, Foreign Minister Air Chief Marshal Sitthi Sawetsila reported that the United States had informed the permanent secretary of the Thai Foreign Ministry in advance during the meeting of ASEAN ambassadors in Washington on Wednesday that the Cambodian seat in the United Nations would be vacated in order to prevent the Khmer Rouge from returning to power in Cambodia but the United States would continue its support for the Sihanoukist and Son Sann factions. Sitti said: "The United States will open talks with Vietnam to find ways to solve the Cambodian conflict and, at the same time, will also negotiate with Phnom Penh in order to speedily settle the conflict. The United States' move corresponds with Thailand's stand on the issue."

Sitti added that the ASEAN's position on this matter will be decided in the upcoming ASEAN meeting in Jakarta next week. The question of vacating the Cambodian seat in the United Nations should be left for all the member countries of the United Nations to decide, concluded the Thai foreign minister.

### Suchinda on SRV Relations

*BK1907135290 Bangkok Army Television Channel 5 in Thai 1230 GMT 19 Jul 90*

[Text] The United States yesterday announced a shift in its Cambodian policy, from supporting the tripartite coalition government of Cambodia led by Prince Sihanouk to supporting the Heng Samrin faction [as heard]. Asked whether this shift will impact on Thailand, Army Commander in Chief General Suchinda Khraprayun said that the shift in the U.S. policy will probably have no immediate effect. He said, however, that he did not think the United States would really change its stand. There is strong opposition to the Khmer Rouge because of its past crimes. This is rather a political move.

[Begin recording] [Suchinda] The Khmer Rouge has the strongest fighting force and morale.

[Unidentified reporter] Would a possible U.S. resumption of relations with Vietnam cause any problem?

[Suchinda] I do not think that the United States is going to revive relations with Vietnam. The United States may have other reasons for its move, reasons concerning the Cambodian issue. There is strong opposition to the Khmer Rouge due to its past crimes. This is rather a political move. [end recording]

### Sunthon Views Move

*BK2007152590 Bangkok Domestic Service in Thai 1200 GMT 20 Jul 90*

[Text] Commenting on the U.S. shift in policy concerning recognition of the tripartite coalition government of Democratic Kampuchea, Supreme Commander General Sunthon Khongsomphong said that it could be just a move to sound out others because the Heng Samrin regime was never considered a legitimate government internationally.

Asked how the U.S. decision to hold talks with Vietnam could help solve the Cambodian problem, the supreme commander said that, as a rule, all countries are now looking for cooperation instead of making enemies. Achieving a positive change depends, however, on several factors. Most of the countries in Asia are poor, and

they also have to cope with war both from internal and external sources. They are beset by declining economies. This has forced leaders in those countries to once again cooperate with world powers. Naturally, the powers that helped these countries rebuild have an influence over them in shaping relations with others and contributing to peace in the region. Asked whether the U.S. decision to hold talks with Vietnam would pose a problem for Thailand, the supreme commander said that there should be no problem as Thailand itself is already trying to have dialogue with Vietnam. Thailand has already been preparing grounds for relations with Vietnam, both politically and militarily.

## Editorial Lauds Policy

*BK2007145990 Bangkok SIAM RAT in Thai 20 Jul 90 p 8*

[Editorial: "The United States Has Withdrawn Recognition of the Tripartite Coalition of Cambodia"]

[Text] U.S. Secretary of State James Baker announced in Paris on Wednesday at the end of the meeting of the five permanent members of the United Nations Security Council, namely, the United States, the Soviet Union, France, the United Kingdom, and China, that the United States will open contact with Vietnam. The report indicated that the announcement was itself the first step in paving the way for an establishment of relations in the future. The secretary of state also announced that the United States will withdraw recognition of the government of Democratic Kampuchea, or the tripartite coalition, comprising the factions of Son Sann, Prince Sihanouk, and the Khmer Rouge.

For Thailand, news about the United States' moving toward renewing relations with Vietnam is always welcome, as it would only contribute to a climate of peaceful coexistence in this region. Thailand, in fact, has been in the forefront trying to achieve a normal dialogue with Vietnam in a bid to solve the conflict in Cambodia. Yet, there remained a deadlock due to the fact that nobody recognized the Khmer Rouge because of the old adage that the Khmer Rouge was responsible for the killing of millions of Cambodian people. Although it is unlikely that the Khmer Rouge would do the same again, there is no guarantee. Now that the United States is going to withdraw recognition of the tripartite coalition, the Khmer Rouge might turn to China for support. There is no guarantee that China would not supply weapons to the Khmer Rouge to fight with the government in Phnom Penh.

It is possible that the U.S. move could eventually turn the Cambodian factions of Son Sann and Prince Sihanouk to cooperate with the Heng Samrin regime in Phnom Penh. This would mean a reshaping of an alliance among the Cambodian factions. The Phnom Penh regime and the factions of Son Sann and Prince Sihanouk might form a new tripartite group to fight against the Khmer Rouge.

Whether that kind of situation would take place or not depends on China. It remains to be seen whether China will continue to support the Khmer Rouge or not. At present, China's stand on this matter is still not known. If China continues to view Vietnam as its arch enemy, we can then expect to see continued support for the Khmer Rouge from China. On the other hand, China might become less selfish and stop thinking of Vietnam as its enemy, preferring to live peacefully with Vietnam. In that case, China could stop supplying weapons to the Khmer Rouge. That would weaken the Khmer Rouge militarily, thus forcing it to resort to a political approach in its struggle.

Therefore, the shift in the U.S. policy could produce a positive outcome rather than a negative one. This move is also "well deserved" by the three factions in the coalition government of Cambodia which have only been trying to undercut each other rather than reach a compromise which would lead to a settlement of their conflict. It is clear now that Vietnam is more powerful than all four Cambodian factions. Saying so might be rather cruel to the Cambodian factions, yet we would like to be frank about our feeling toward the leaders of those Cambodian factions who were preoccupied with trying to retain power without thinking of the welfare of the general populace of Cambodia.

## U.S. Potential To Help Noted

*BK2007032990 Bangkok THE NATION in English 20 Jul 90 p 9*

[Editorial: "US Can Help, If It Tries"]

[Text] US Secretary of State James Baker surprised the world on Wednesday by announcing that the United States intended to withdraw diplomatic recognition of the Coalition Government of Democratic Kampuchea, the resistance coalition that holds Cambodia's seat in the UN General Assembly. The Bush administration will also start talking directly with Hanoi about the Cambodian conflict.

This shift was designed primarily to placate Democrats in Congress who have been clamouring about the Bush administration indirectly aiding a Khmer Rouge return to power with its recognition of the CGDK, within which the Khmer Rouge is the strongest of the three partners. Even Baker conceded that the policy shift was partly meant for domestic political consumption.

Unfortunately, the United States didn't bother to consult with its friends and allies in ASEAN on the issue. ASEAN, with the strong diplomatic backing of the United States and other Western countries, helped formed the CGDK in 1982 to oppose the Vietnamese occupation of Cambodia. ASEAN also spearheaded the campaign to secure the UN General Assembly's recognition of the CGDK despite a strong challenge from Vietnam and its communist allies, who back the Phnom Penh government of Hun Sen.

The timing of Baker's announcement was rather awkward, as ASEAN foreign ministers will meet in Jakarta next week; after that they will meet with Baker for the annual formal ASEAN-US dialogue. Baker could have waited until then to discuss the Cambodian conflict in Jakarta and sound out opinions among the ASEAN foreign ministers on the US policy shift.

Now ASEAN is forced to review its stance of supporting the CGDK. One pressing question is whether or not ASEAN will continue to defend the CGDK's membership in the United Nations as this issue will be raised once again by Vietnam and others in the UN General Assembly later this year. There is a growing movement in the West to force the CGDK to vacate its UN seat. The European Community is strongly in favour of leaving the Cambodia seat vacant until after the formation of an elected government following a peace settlement. The United States, like Canada and Australia, will most probably join the EC in unseating the CGDK. This may alienate the resistance coalition, led by Prince Norodom Sihanouk, from the United nations, and prevent the United Nations from getting or playing an important role in facilitating the Cambodian settlement. On the positive side, however, this will remove the standing accusation of Phnom Penh and Hanoi that the United Nations is biased in favour of the CGDK.

The Bush administration's plan to open direct talks with Hanoi on Cambodia is a wise move that might end the existing deadlock in international efforts to resolve the 11-year-old conflict. The United States, because of its big say in the West's economic sanctions against Vietnam, has a good chance of influencing Hanoi's Cambodia policy. One good starting point for their talks is how to stop the Khmer Rouge from returning to power in Cambodia. In fact, the Bush administration should also talk with Phnom Penh as it, like Hanoi, is anxious to stop the military advance of the Khmer Rouge, which has threatened to seize Battambang, Cambodia's second largest city, to enhance its bargaining power.

If the Bush administration is serious about stopping the Khmer Rouge, it should talk with Beijing as well, as China is the key arms supplier of the Khmer Rouge. The United States could use the congressional review of renewing most-favoured trading nation status to China as a bargaining chip. If Beijing could be persuaded to join in a moratorium of suspending military aid to all four Cambodian factions—which both Washington and Moscow have agreed in principle to and are waiting for Beijing to join—the fighting in Cambodia would soon come to an end.

The United States is in a good position to bring about a breakthrough in the Cambodian peace process, provided that it make real efforts rather than give lip service to resolving the conflict. ASEAN leaders may be upset by Washington's break-away. But ASEAN leaders should admit that they themselves are at their wit's end because they lack credible bargaining power with either Vietnam or China.

## Call for Release of Burma's Aung San Suu Kyi

*BK2007035990 Bangkok BANGKOK POST in English 20 Jul 90 p 4*

[Editorial: "Time to release Burma's Suu Kyi"]

[Text] For Burma's ruling military junta, it is a time of decision. The administration of Gen [General] Saw Maung must resolve by midnight tonight whether it will honour or renege on its promise to adhere to the will of the nation. Burmese have voted, peacefully and under rules established by the regime, against continued military rule. They have chosen, through methods imposed upon them by the military regime, their leader. Saw Maung and his supporters have to decide whether to allow that leader out of detention and back among her people.

Daw Aung San Suu Kyi has spent the last 12 months under house arrest. She faced no charges, was accused in no court. Most Burmese and most friends of Burma have long concluded that Suu Kyi was detained because of her charisma, her popularity and her dedication to establishing democracy in Burma. During her year-long detention, she has broken no rules, caused no trouble. In short, she has given the Saw Maung government no reason to extend her house arrest. Unfortunately, this does not mean that the military regime will free her today when the military detention order confining her for one year expires.

It means, rather, that for the first time since the May 27 elections, the sincerity of the Rangoon administration will be severely tested. Daw Aung San Suu Kyi was incarcerated for a year on the highly questionable grounds of contributing to a "disturbance" at last year's Martyrs' Day ceremony. Martyrs' Day was quietly celebrated again yesterday, without the presence of the diminutive political leader. Saw Maung and his powerful military allies must decide one way or another today whether to free her. For generals seemingly bent on retaining power against the expressed will of their people, there is no easy option.

The people of Burma have twice voted for Suu Kyi and her National League for Democracy (NLD). The first vote was at the barricades in 1988. The second was at the polling stations seven weeks ago. After each vote, the Saw Maung administration has rejected popular demand, only to continue to rule via the gun, the threat, and the vague promise of change some time in the future. Although we fully expect the regime to whine about outsiders trying to pressure them on the Suu Kyi case, the end of the one-year house arrest is in fact a self-imposed deadline. If anything, the Burmese and outsiders alike have been too patient in waiting for the Saw Maung regime to decide how—not if—it intends to cede political leadership to Suu Kyi and her NLD.

A last-minute decision by the NLD to call off planned demonstrations yesterday to commemorate Martyrs' Day could have reflected the party leadership's desire to

Samak also acused Watthana, who is deputy leader of the Ratsadon Party, of serving the interests of the rich by having the national Housing Authority construct luxurious housing instead of looking out for the poor. But Watthana argued that many plots of land owned by the housing authority are on prime locations and it needs the money to build housing for the poor elsewhere. "With the profits we make from selling luxurious housing we will be able to give more services to the poor," he said. [passage omitted]

After the exchange between Watthana and Samak, Premier Chatchai summoned the deputy interior minister to a meeting.

While Samak livened up the debate with his rhetoric, his criticism of individual Cabinet members were general and at times trivial. He saved his most severe charges for Agriculture Minister Sanan Kachonprasat whom he accused of demanding Bt7 million from a kamnan Heng in Chumsaeng subdistrict of Chon Buri province after the latter, who used to canvass votes for the Democrat Party, asked the minister to help him get a land holding document. Samak said that the kamnan was ready to appear on TV and tell the truth about the Democrat minister. Sanan dismissed the charge but accepted Samak's challenge to go on TV. Speaking to reporters afterwards, Samak said he would today send Prachakon Thai MPs to fetch the kamnan from Chon Buri to the House to support his charges against Sanan.

The clash between Samak and Watthana was the highlight of the marathon debate that began at 10.00 am and adjourned at 12.35 am.

Despite his eloquence, Samak failed to make much of a dent on the government as a whole, mainly because he tried to concentrate on too many individuals in so short a time. He made only some brief and insignificant references to the prime minister throughout his 90-minute presentation.

Speaking to reporters, Chatchai said he did not think yesterday's debate was getting out of hand despite the row between Samak and Watthana.

## Air Force Recommends Purchase of New Fighters

*BK2007040390 Bangkok THE NATION in English 20 Jul 90 p 2*

[Text] The Royal Thai Air Force [RTAF] is mulling a plan to buy three squadrons of jet fighters for deployment in the Northeast, sea interdiction and the protection of strategic interests along the southern coast. The air force has proposed that the government set up a special budget allocation to acquire two squadrons, each comprising 20 units, of AMX jet fighters for deployment in Ubon Ratchathani and Udon Thani, and a squadron of Tornado planes for sea defence and protection of the southern coast.

The recommendation followed the trip of an 8-member delegation to Italy and West Germany in December to inspect the manufacture of jet fighters, including AMX and MB339C models. The air force team also viewed demonstration flights and production lines. AMX is the product of a joint venture of two Italian companies, Aeritalia and Aermacchi, and Embraer of Brazil. The price of an AMX jet fighter ranges from US$12.5 million to US$16.5 million depending on the equipment with which it is fitted. According to ASIAN DEFENCE magazine, these prices are for aircraft fitted with ranging-only radar and if a more sophisticated radar system is to be made available, the AMX cost would then probably rise by US$1.5 million to US$2 million, taking the minimum price into the region of US$14 million to US$15 million, a little short of the price of an F-16.

The Royal Thai Air Force has proposed buying a single-seat ground attack version. The delegation leader pointed out that a squadron of 20 AMXs has been deployed in the Italian air force while the two-seat model was to be supplied early this year.

The sales representative in Thailand is Commercial Associates Co Ltd. About Bt [Baht]18.4 billion has been sought to purchase the squadron of jet fighters to cope with emergency defence requirements and protection of the southern sea coast, over and above the air forces's normal budget.

The Budget Bureau, however, pointed out that the country's fiscal and budgetary constraints would not make it possible to provide a special allocation for the purpose. Originally, the air force wanted the procurement to be included in fiscal 1990 and the total spending spread through five fiscal years. The Budget Bureau later suggested that the air force seek budget allocations from fiscal 1991 onwards.

The delegation, during the visit to Italy, also studied MB-339 C jet fighters which can be used as light attack aircraft. The delegation recommended that the MB-339 be deployed as a fighter lead-in force. In case there are further budgetary constraints, the number of AMX should be reduced to only 16 fighters to form a squadron instead of a total of 40 AMX. By this, a large fleet of MB-339 can be acquired as the aircraft is much cheaper than the AMX.

During the trip to West Germany, the delegation observed the assembly of Tornado jet fighters and demonstration flights of C-23 Sherpa, a small two-engine transporter, which the RTAF wants to buy to boost its logistics transport capability. The team was impressed by the performance of the Tornado, which is jointly manufactured by Aeritalia of Italy, British Aerospace, and MBB [Messerschmitt-Boelkow-Blohm] of West Germany.

The RTAF delegation, however, pointed out that both the AMX and Tornado jet fighters are manufactured by European firms which are not accustomed to the needs

of the Thai Air Force. In addition, the period of inspection trip was limited and the team was unable to study the capability of the two types of aircraft in detail. It suggested that a team of experts should be assigned to study the aircraft with the manufacturers of AMX and Tornado before the firms submit quotations for consideration by the air force.

## Vietnam

### Spokeswoman Rejects Rumor of Detained Opponents

*BK1907152990 Hanoi VNA in English 1450 GMT 19 Jul 90*

[Text] Hanoi VNA July 19—Mrs. Ho The Lan, a spokeswoman for the Foreign Ministry and head of the Information and Press Department, held a regular press conference here this afternoon.

In answer to AFP correspondent's question about the rumour of the detention of opponent Vietnamese, Ho The Lan said:

"This is sheer fabrication made with ill intention against Vietnam.

"In recent years, together with the policy of renovation and the process of democratization in Vietnam, important steps forward have been made in the field of human rights, with the sensible and reasonable settlement of post-war questions and better observance of civic rights.

"Like in any other country, naturally the law offenders, including the violators of national security and social security and order, must be punished in accordance with laws."

Commenting on the July 15 declaration by 24 Vietnamese anti-communist groups in Paris to set up the 'Alliance for Freedom and Democracy in Vietnam,' Mrs. Lan said:

"Most of the Vietnamese living in foreign countries have always turned their thoughts toward the homeland and made certain contributions to the national construction. The Vietnamese state highly values their constructive attitude and contributions.

"We think that most of people have taken part in activities against the current fruitful renovation in Vietnam just because they have not clearly understood the situation at home or been incited by only a small number of them who bear personal hatred and have taken advantage of the present difficulties of the country to realize their evil designs. These people's act is utterly not for the benefit of the Vietnamese."

### Ministry Issues Directive on Anticorruption

*BK1907150390 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Jul 90*

[Text] The Ministry of Building has recently issued a directive for its units and agencies to implement the Council of Ministers' decision No. 240 dated 26 June 1990 on counteracting corruption in the building sector.

The directive said that from now to the end of the year all units and agencies attached to the ministry must strive to firmly grasp the Council of Ministers' decision and the Minister of Building's directive on counteracting corruption. They must disseminate the abovesaid decision and directive to cadres and workers in their units and urge them to positively and resolutely participate in opposing corruption while striving to fight against negative phenomena. It is also necessary to seriously deal with cases of corruption and embezzlement, and those who intentionally violate state policies, laws, and regulations resulting in losses to state property. Efforts should be made to examine and definitely resolve the prolonged negative practices and to settle letters of complaint and denunciation lodged by the people.

The directive said further that each basic unit of the building sector must set up a committee for curbing corruption. The Ministry of Building also assigned the economic department and other agencies concerned to study and revise some of the sector's management policies such as those on management of capital construction and controlling building projects and so forth.

### General Speaks on Logistics Sector's Anniversary

*BK1907144590 Hanoi Domestic Service in Vietnamese 2330 GMT 10 Jul 90*

[Statement by Lieutenant General Nguyen Trong Xuyen, member of the party Central Committee, vice minister of national defense, and head of the Logistics General Department, in connection with the 40th founding anniversary of the logistics sector—recorded]

[Summary] "Forty years ago, on 11 July 1950, President Ho Chi Minh signed a decree to set up the Supply General Department now known as the Logistics General Department. This marked an important development in the process of the unit building and growth of our Armed Forces."

Assisted by the people, the logistics sector has always strived to ensure that the Armed Forces are able to triumph over all enemies and fulfill their glorious international duty. "In the past, many generations of cadres, combatants, and workers have overcome all hardships and sacrifices in striving to build up a glorious tradition for their field of work."

The 40th anniversary provides an opportunity for the logistics sector to reevaluate itself, trying to develop its

strong points and correct its shortcomings in order to surge forward to meet requirements arising from its new tasks.

Faced with the current complicated developments in the world where imperialism is frenziedly sabotaging socialism, the logistics sector must contribute to "building a powerful Armed Forces worthy of being a protective tool of the party, the people's administration, and socialism."

Despite the facts that storage facilities and other means needed to ensure logistics activities "have been degraded through many years of war" and that the lives of cadres and combatants have been "beset with difficulties," the logistics sector has strived to renovate its logistics activities. To more satisfactorily fulfill its duties, the military logistics sector must do the following:

—continue to study in order to thoroughly understand party policy on logistics and Uncle Ho's advice for the logistics sector.
—rectify and renovate logistics activities in order to guarantee troops' welfare.
—maintain a realistic attitude to ensure good services to the troops.
—step up productive labor and practice thrift.
—strictly comply with the Council of Ministers' directive on anticorruption.
—strengthen relations with state organs and localities concerned in order to secure more supply sources.
—gradually help improve cafeteria and housing facilities for troops.
—continue to provide more professional training to logistics cadres.

On behalf of the cadres, combatants, and workers of the military logistics sector, I would like to take this opportunity to thank the party and government "for having, over the past several decades, assisted and created conditions for the logistics sector to fulfill its assigned missions."

### Thousands Face Hunger in Thuan Hai Province

*BK1907132990 Hanoi Domestic Service in Vietnamese 1100 GMT 17 Jul 90*

[Text] Due to the recent adverse weather conditions in Thuan Hai Province which brought less rain and a prolonged drought, thousands of hectares of rice and subsidiary food crops have been damaged there. Many villages in the province experienced total failure in their cultivation. More than 27,000 people in six districts of Bac Binh, Ham Thuan Lan, Ham Thuan Bac, Ninh Son, Duc Linh, and Tuy Phong have experienced hunger.

At present, various echelons of party committees, the administration, and mass organizations in the province are launching a campaign to help relieve these people from hunger. The authorities also helped the local people to quickly plant short-term subsidiary food crops and to accelerate the summer-fall and 10th-month rice planting.

Aside from distributing some of the locally reserved rice to the people, the province has since April used 230 million dong to buy 245 tonnes of rice to supply to the drought victims. Many companies such as the Bao Viet Corporation, the Cap Luot Drilling Corporation, the Maritime Product Corporation Union, the Construction Material Corporation, the Phan Thiet Maritime Product Corporation, and many other peoples have contributed millions of dong to buy rice for the families who have experienced hunger.

The labor, war invalid, and social welfare sector has cooperated with mass organizations in districts and cities to organize visits and provide help to ethnic minorities and families of the fallen soldiers in these localities. They have also helped the local people to plant more subsidiary food crops and to exploit rattan and pine trees in certain areas to earn money to overcome immediate difficulties in their daily life.

### Moscow Sets Up Business Cooperation Association

*BK2007090390 Hanoi VNA in English 0703 GMT 20 Jul 90*

[Text] Hanoi VNA July 20—An association for business cooperation with the Indochinese countries has been set up in Moscow.

The association, named Mekong, is aimed at promoting the cooperation between Soviet production and business establishments and their partners in Vietnam, Laos and Cambodia as well as in Myanmar [Burma], Thailand, Malaysia and Singapore.

The association will help state-run enterprises, cooperatives and joint ventures in the Indochinese countries to apply new forms of economic, scientific and technical cooperation. Meanwhile it will also help its members step up their import-export activities and develop the commercial cooperation between Soviet regions with the Indochinese countries.

### Cuban Ambassador Gives Reception on Anniversary

*BK1907155590 Hanoi VNA in English 1457 GMT 19 Jul 90*

[Text] Hanoi VNA July 19—Cuban Ambassador to Vietnam Armando G. Saucedo Yero gave a reception here this evening on the occasion of the 37th anniversary of the Day of National Rebellion of Cuba (July 26).

Among those present were Mrs. Nguyen Thi Dinh, vice president of the State Council and president of the Vietnam-Cuba Friendship Association; Pham The Duyet, member of the State Council; and Nguyen Dy Nien, vice minister for foreign affairs.

The participants proposed toasts to the glorious anniversary of the Cuban people, and to the fine development of the traditional friendship and cooperation between the two countries.

## Lao, SRV Party Papers Agree To Cooperate

*BK2007090190 Hanoi VNA in English 0706 GMT 20 Jul 90*

[Text] Hanoi VNA July 20—The Vietnam party paper NHAN DAN and the Lao party paper PASASON have agreed upon a cooperation plan in the exchanges of information and professional experiences and personnel training.

The plan was reached during a visit to Laos from July 12-19 of Ha Dang, editor-in-chief of the daily NHAN DAN.

During his stay in Laos, Ha Dang had working sessions with PASASON Editor-in-Chief Bua Ban.

## Australia

### Evans Comments on U.S. Chemical Weapons Plan

*BK1807072590 Melbourne Overseas Service in English 0500 GMT 18 Jul 90*

[Text] Australia's foreign minister, Senator Gareth Evans, says he is satisfied that the environment will not be at risk from America's burn off of chemical weapons at Johnston Atoll, southwest of Hawaii. Senator Evans says his assessment is based on an Australian scientific study and on the United States' own environmental impact statement.

He says the Johnston Island incineration of weapons from Germany should be supported if that is the only way of disposing of them practically in a realistic time and with environmental safety. Senator Evans has qualified his statement with the observation that the issues are difficult when argued that disarmament is in conflict with the environment [sentence as heard].

### Scientists Oppose Plan

*BK1707062890 Melbourne Overseas Service in English 0500 GMT 17 Jul 90*

[Text] A group of more than 600 Australian scientists opposed to nuclear weapons says it has serious reservations about American plans to destroy chemical weapons on Johnston Atoll in the Pacific. The group, called Scientists Against Nuclear Arms, says the United States plans to destroy the weapons on the atoll for four years after transporting them there from West Germany.

The group's president, Professor (Gerry Rolfe) says during this time the weapons will be available to American defense and will therefore pose a threat in the Pacific region. Prof. (Rolfe) says it is not acceptable to Australia and Pacific countries to be disadvantaged by chemical disarmament in Europe.

He said that the United States has ignored the protests of small Pacific nations which are opposed to the incineration of chemical weapons in their region.

### Evans Welcomes U.S. Decision on Vietnam Talks

*BK1907012290 Melbourne Overseas Service in English 0100 GMT 19 Jul 90*

[Text] Australia's foreign affairs minister, Senator Evans, has welcomed the American decision to seek talks with Vietnam on the Cambodian conflict.

Senator Evans described the decision as an important development in moves toward a comprehensive settlement of the conflict. He said the element of flexibility shown in the new American policy on Cambodia was in line with Australian policy.

## Fiji

### Fijian Placed in European Community Secretariat

*BK1907153790 Hong Kong AFP in English 1453 GMT 19 Jul 90*

[Text] Suva, July 19 (AFP)—Fiji trade officials expressed hope Thursday of boosting ties with the European Economic Community following the selection of a Fijian for a top post in Europe.

Surendra Sharma was chosen this week as deputy director of the Centre for Development of Industries in the Africa-Caribbean-Pacific/European Community (ACP/EC) Secretariat.

Mr. Sharma, a director of Fiji's Trade and Investment Board, was picked ahead of two candidates from Africa and one from Europe.

"The Pacific now has a representative in an important institution right in the heart of Europe," Mr. Sharma said.

"My presence and influence there will transform that place to a kind of launching pad for the private sector."

The ethnic Indian is the first Pacific candidate to win a top Brussels job since the 68 ACP nations and the 12 EEC members introduced preferential trade and aid programs in 1975.

## New Caledonia

### Kanak Movement Confident of Invitation to Forum

*BK1907064190 Melbourne Overseas Service in English 0500 GMT 19 Jul 90*

[Text] New Caledonia's Kanak Liberation Movement, the FLNKS, says it is confident of being invited to the South Pacific Forum later this month. The FLNKS vice president, Mr (Rock Wamiton), says he expects an official invitation to be waiting for him and the president, Mr Paul Neaoutine, when they return to New Caledonia from their visit to Australia.

Mr (Wamiton) says he understands the problem of the FLNKS request for observer status at the forum. However, he says the FLNKS will be invited to attend because it is a liberation movement. At the forum in Port Vila in Vanuatu, the FLNKS leaders will continue to lobby for full observer status.

In Canberra, Mr Neaoutine and Mr (Wamiton) have had a meeting with Australia's foreign minister, Senator Gareth Evans. Radio Australia's diplomatic correspondent, Stewart Heather, says Senator Evans agreed that it is desirable for the heads of government at the forum to hear the FLNKS perspective of the situation in New Caledonia. However, Senator Evans has emphasized that Australia does not (?see) the FLNKS leaders' presence at the forum as formal observer status.

## New Zealand

### Minister Welcomes U.S. Policy on Cambodia

*BK1907090290 Hong Kong AFP in English 0854 GMT 19 Jul 90*

[Text] Wellington, July 19 (AFP)—New Zealand soldiers could be part of a peacekeeping contingent in Cambodia, Foreign Affairs and Trade Minister Mike Moore said here Thursday.

His comment came as he welcomed the announcement of United States Secretary of State James Baker that the U.S. would be changing its policy towards Vietnam and opening talks with Hanoi to keep Khmer Rouge guerrillas from returning to power in Cambodia.

Mr. Moore said New Zealand has long supported a resolution to the Cambodian conflict and was prepared to play its part now.

"Anything that winds down the capacity of any of the groups to wage war, to advance their political situation by force has to be a good move," Mr. Moore said.

"Our objective simply is to stop people being hurt. The next objective is to arrive at a condition, a situation from which the Kampuchean (Cambodian) people can make a decision about the direction of their society.

"We have said if that happens and the United Nations is involved and if there is a common consensus and there needs to be some modest New Zealand involvement, we would be involved alongside the rest of our colleagues in the region."

New Zealand, following the old U.S. line which changed Wednesday, had in the past voted in favour of the Khmer Rouge-dominated resistance coalition holding Cambodia's United Nations seat.

## Papua New Guinea

### Executions by Separatists Rumored in Bougainville

*BK1807142290 Hong Kong AFP in English 1401 GMT 18 Jul 90*

[Text] Canberra, July 18 (AFP)—Senior Australian officials confirmed Wednesday that they had been told of a "possible execution" carried out by secessionists in control of part of neighbouring Papua New Guinea.

The officials said they had been briefed by an Australian expatriate who reportedly escaped death at the hands of secessionists on Bougainville Island, eastern Papua New Guinea. But they denied suggestions in a newspaper report that they had learned of 15 executions by "fanatics" of the Bougainville Revolutionary Army (BRA).

The report, in the Melbourne AGE, appeared eight days before the scheduled start on July 26 of peace talks between the Papua New Guinea Government and the BRA, which has held the island unchallenged since security forces withdrew in March. The talks are due to take place at sea aboard a naval tanker on loan from New Zealand and escorted by two frigates.

THE AGE said that an Australian expatriate worker escaped from house arrest on Bougainville on June 26, three days before he was due to be killed by the BRA for spying and sabotage. Under the headline "15 Executions Reported Amid Anarchy on Bougainville," THE AGE said that the expatriate later briefed local authorities and Australian officials in Papua New Guinea.

He was believed to have alleged that "about 15 people had been executed by the fanatics, that some were burned to death after being beaten unconscious, that villages have been razed, and that rape and looting have become widespread," THE AGE said.

"Many other civilians are believed missing and parts of the island are said to have reverted to cargo-cult practices which include primitive sexual rituals," he was quoted as saying.

THE AGE said the man's report "provides some of the most recent direct information about conditions on Bougainville."

Allan Taylor, Australian high commissioner in Port Moresby, confirmed that he had held "a private conversation" with the expatriate, who was now in Papua New Guinea. But Mr. Taylor denied that the man had spoken of 15 executions, saying that he had referred only to "a possible execution."

An official at the Foreign Ministry in Canberra said that in other respects, the report in THE AGE was correct. But the official warned that it was "difficult to evaluate conditions in Bougainville" and said that a report from one area did not necessarily reflect what was going on elsewhere.